

CRAWFORD *Perspectives*

April 8, 2002 Vol. 04/02

CRISES DEEPEN!

The Multiple Configuration in the Heliocentric (Sun-centered) sky on March 30-31 coincided with the greatest risks to international peace in several years. Talk about "emotional instability", there were TWO suicide bombings that day for the first time, a total of six in six days! The Gold and Silver Stock Index or XAU made a short term peak on April 2 at 73.48. The OIL complex was similarly posited with the closing high there, to date.

If you think the tensions will ease off from here, you have obviously NOT looked at the SKY. Tension among the major outer planets represents the most sustained violence since the last World War! Here's a for-instance: April 30 = Uranus Quintile (1/5x360=72 degrees) Pluto with Sun quintile Uranus and Bi-quintile Pluto! The Combination of Stellar Influences (Reinhold Ebertin, 1940) says of Sun/Pluto=Uranus: "Carrying out fanatic reforms without regard for oneself. - Sudden adjustments to new circumstances (arrest)." Now, what do you

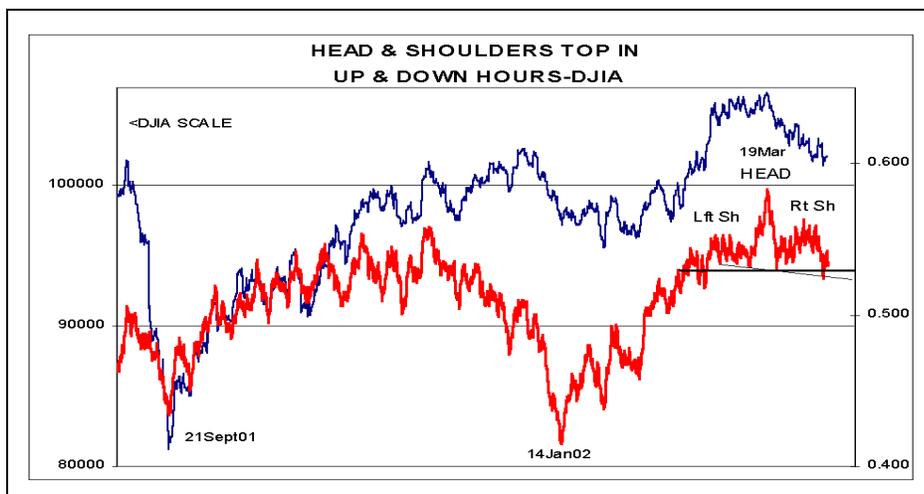
VITAL SIGNS

WE SHORTED THE S&P500 CASH INDEX IN OUR JAN. 6 NEWSLETTER WITH A 3% STOPLOSS EXIT POINT.

INCREASE SHORTS TO 200% (USING FULL MARGIN) IMMEDIATELY. ADD STOP AT 1165 ON THE NEW POSITION.

WE HAVE NO POSITION IN DJIA (DOW JONES IND. AVG.).

SHORT IMMEDIATELY 100% NEGATIVE POSITION (WITH NO MARGIN) AND INCREASE TO 200% SHORT (USING FULL MARGIN) IF AND WHEN DJIA IS BELOW 10,100 JUST BEFORE MARKET CLOSE. STOP ALL AT 11,700 CLOSE ONLY.



think THAT could mean? Astrology is SO general, it could mean ANYTHING! - NOT!

Recurring emphasis on Saturn, Uranus, Neptune, Pluto and the Uranian 'Hades' over nearby months firmly anticipates "Coercion, the use of Force, large Explosions and Heartlessness or Cruelty" as we said of August 2-7, 1990. If you remember, Saddam Hussein unexpectedly attacked Kuwait on August 2nd! OIL shot to \$42.00/bbl.

BARRON'S Fincl. Wkly. carried my prediction of that event in their MARKET WATCH column 2-3 weeks before the event. That column editor would not quote us again for the longest time...until we wrote them a letter...and they haven't again for several years! Alan Abelson, over there, has never mentioned us by name...not then...and not when we predicted the Top Day and market Crash in 1987, although he quoted our Headline of that issue. Maybe if we hit three out of three!

MARS is currently transiting the Midheaven of Israel's birth chart, while on Wednesday (April 10) Mars squares Uranus from the position of a Lunar Eclipse taking place this Fall (Nov. 20-21). More than Israel will feel the release of compressed anger under these murderous omens.

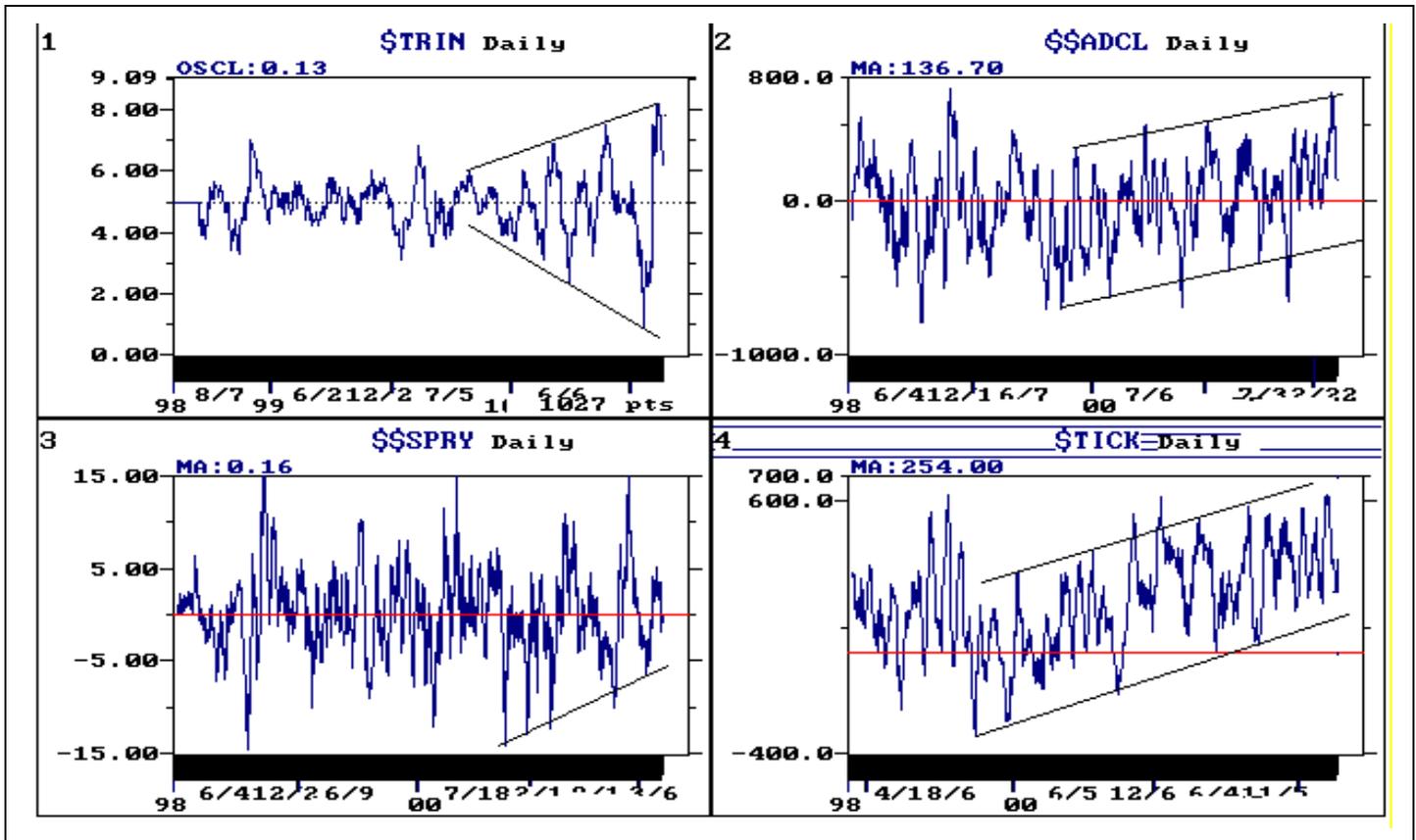
These tensions will be high and sustained for extended periods, and

resolution is nowhere in sight. Some of the most critical periods ahead are: April 10 & 22-26, May 7-15, May 19-Jun.13, Aug. 8 & 22, Sept. 10-13 & 21, and the Lunar Eclipse of Nov. 19. This entire period will dramatically affect our Governmental and Economic structures, and, of course, our sense of well-being!

We pray and expect that whatever misfortune is visited upon mankind will act to initiate a holistic birth process into the New Era of Aquarius! New-Agers tend to look forward to a "hunky-dory" everything-OK Utopia, yet each New Age brings its challenges and growth. Birth is often painful and difficult, but the Promise of New Life, fresh from Source, "Trailing clouds of glory..." continues our journey to recombine with the ONE at a higher order.

On Markets, the BUY-and-Hold strategies will give way to a greater appreciation of Market Timing. Investors, will become emotionally worn by one crisis after another over months and months. Better to get out Early and avoid the rush! We recommend the MOST DEFENSIVE and PROTECTED of Market Strategies that you EVER take, Individually or Institutionally.

We believe the promise (or more accurately... Threat) of the huge, three-year Topping Patterns in major indices will begin to become visible to the technically and non-technically oriented, as key price levels give way and momentum increases negatively. GO TO MAXIMUM 200% SHORT POSITIONS IMMEDIATELY (Full margin)!



THEY'VE ALL ROLLED OVER NOW!!

As a general rule, these indicators are positive when low and rising, weak when high and falling.

Chart (1) \$TRIN is an oscillator consisting of a 55-day moving average of the ARMS Index (TRIN) minus a 21-day moving average of the same. This oscillator has continued to swing widely in an unusual pattern of Higher Highs AND Lower Lows?! It has recently run to the absolute HIGHEST level of the last 3 years, and is now entering a typical corrective phase.

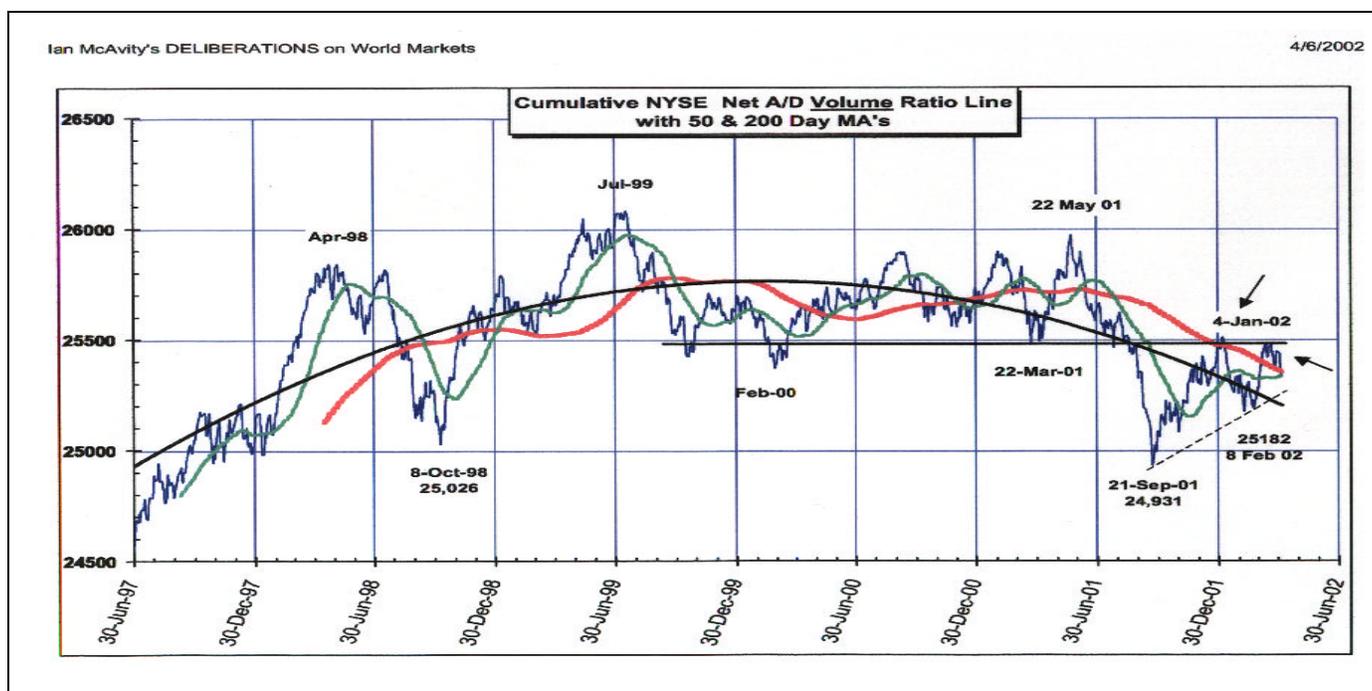
Chart (2) \$\$ADCL is a 10-day moving average of the net change in Advances-Declines (NYSE). This indicator is demonstrating an ability to remain consistently near the range highs, though after exhibiting a series of declining tops, it has looped higher in a possibly exhaustive maneuver. Although it appears that an important top may be in place, it requires a break below several recent lows just under the Zero line to confirm a larger downtrend.

Chart (3) \$\$\$SPRY is a measure of "smart money" action in the S&P futures. The pattern of rising bottoms in the extreme low range is encouraging, and the September 21 bottom, without breaking lower, has extended that positive pattern. This last rally failed at a lower level, and that leaves this pattern with great vulnerability, unlike the other three. We would still prefer (and expect) to see a Washout to the lower range of previous lows and would be more comfortable

with a more extensive base pattern. That will take time to build from here.

Chart (4) \$TICK is Closing TICK (NYSE 10-Day). This index was the first to rebound to sharp "new highs" after a "Moderate Oversold" condition back last year. They have never gone lower! The ability to hold within a long term rising pattern is a very healthy sign. Recent lows were not violated on that last dip, and a more conservative upward sloping long term trend remains intact. (There is some concern that this indicator, as well as TRIN, could be more easily manipulated by trading in 1 cent increments. The amount and quality of the current price decline will decide the analysis, which at this time, remains in limbo!

All of the above indicators are **High and Falling**, describing their classic negative configuration. Three of the four are now back to levels which might be able to support the launch of some sort of rally. Our markets could go on down immediately, or engage in one more unsustainable lurch. We have considerable confidence that the astronomic and seasonal cycles preclude a favorable resolution, at this late date, and seek confirmation through price breaks on increasing volatility.



MAJOR ROLLOVER PATTERN IN A/D VOLUME STATS.

MASSIVE DISTRIBUTION SINCE THE JAN 4 RECOVERY PEAK!

The chart (above) and this commentary comes from old friend Ian McAvity of *DELIBERATIONS* newsletter (POB 182, Adelaide St Sta., Toronto ON Canada, M5C 2J1- 416/964-1359). Presentation here may be a bit esoteric for many of our new subscribers. Please bear with us as a goodly number are professional or semi-professional. The simple point is that the Regression Line through this data clearly indicates the tendency of the overall pattern (rolling over), while the recent failure to exceed the previous January 4 peak may be the proverbial "nail-in-the-coffin" of the Recovery Rally from September 21. Continuation of this action could be very damaging.

"Think of what it is the ARMS Index measures... The ratio of Average Shares Traded per Advancing Issue, relative to average shares traded per declining issue. The post-9-11 recovery peaked Jan 4th. We've had 62 trading days since. Consider these numbers, the average of 62 days Jan 7 to Apr 5/02.'

Net Adv/Dec Issues % of traded	Now, Net Adv/Dec VOLUME % of Total Volume
NYSE: +3.1% (or +104 net issues/day)	NYSE: -2.3% (or -30.8 mil shs/day)
Nasdaq: -2.7% (or -104 net issues/day)	Nasdaq: -9.8% (or -171.4 mil shs/day)

Average Daily Arms Index for those 62 days is 1.26, which I read as persistent selling.'

Why the net advancing issues? It certainly can't be attributed to the bond yield effect on preferred shares (which I've always felt was being grossly exaggerated by its proponents)... I suspect the flows into Mid-Cap & Small Cap Funds are resulting in public money coming into the market very differently, with little emotion.'

The big guys, I'm thinking Vanguard in particular, now offer a Wilshire 5000 equivalent fund experiencing consistent net cash inflows. The Lipper Table in Barron's seems to suggest more than \$1 trillion may be in funds other than S&P 500/Large Cap types. (I love all the growth & value subdivisions... I suspect growth means formerly rising price trends, and value means down enough to buy more...)

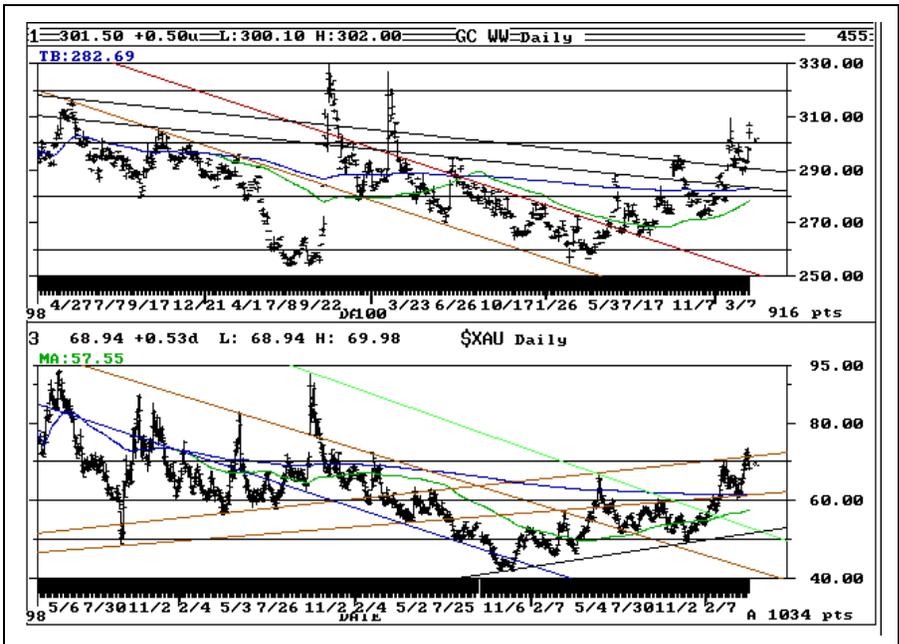
Think of how the Vanguard trader (and the other large fund complexes) puts that into the market... no emotion, a disciplined basket approach, a couple of times during the day (perhaps concentrated in those dammed market on close baskets), in which day after day he is buying thousands of different stocks for so long as he has net cash inflows, and dividend reinvestment flows.'

For those below the largest 500 market caps, his buying has a decided impact on average daily volume, hence many small upticks for the day, made easier by the switch to decimals - hence lesser price change. I believe this may be creating the "new" distorting factor in the A/D Line.'

Just how those funds will ever sell those less liquid holdings if they swing to net redemptions..., is another Enron-like event yet to come from the excesses of the 1990's!'

The **GOLD, SILVER, COPPER and OIL COMPLEX** have made short term peaks on April 2 (closing highs) and have dropped away from their best prices in patterns that could suggest reversal of trends. However, astronomic work mandates further extremes in emotional volatility, which we believe will lead to Radical and Surprising fluctuations in these and other commodities over the next 8-9 week period. Growing Tensions, aggravated by hostile alignments will push some Economic and Political forms to lose structural integrity, with ramifications in currency, security and derivative contractual obligations, i. e. defaults and bankruptcies, trade Wars and Hot Wars, and the more dastardly and feared terrorist activities.

Iraq and Iran are making threatening sounds about shutting off the **OIL** flow to the West to protest our support of Israel. Analysts say that would be self-destructive and irrational and therefore not likely. We say: What has rationality got to do with it? For that matter, what has rationality had to do with Our Markets over recent years? DOT.com Bubbles, Hyper-Inflationary Monetary Policies, International Account Imbalances of \$1 Billion/Day, Mortgaging Homes to maintain Lifestyles, Accounting Scams at highest levels of Business and Government to name a few!!



Lord John Maynard Keynes, father of Deficit Financing said: "Markets can stay irrational longer than you can stay solvent." When challenged about the long-term dangers of deficit financing, he shrugged: "In the long run, we're all dead." By which he most probably meant: It'll fix today's problems, and our generation won't have to worry about it!!

The incredible Monetary Inflation worldwide has primarily affected "Paper Assets" while a corresponding Bear Market has destroyed the value of "Real Assets" i. e. Commodities, especially Metals, Minerals, Oil, Gas, Coal etc. There is powerful momentum evidence that these very long term trends have begun to Reverse. We gave our long term BUY signals in the Metals April 4-5, 2001 when Jupiter formed a Trine aspect with Neptune. There may be some temporary Maximum near September 10-13, 2002 as Jupiter opposes Neptune indicating a final splurge of money creation!

That is our mentation on COMMODITY Investment over stocks or bonds or other Credit Instruments. And that is why we opine that Mineral-rich countries may see their Bonds and Currencies do better against the Majors. Watch Canada, Australia and New Zealand, in addition to Switzerland! We would add South Africa to this "short list". Russia is the "Wild Card" here as their OIL flow may partially protect us from cut-offs in the Middle East.

Cattle and Hogs, Wheat and Corn are acting the worst, while **Soybeans** are forming more positive patterns. **U.S. Dollar Index** may or may not be caught up in the strong emotional trends indicated for this month. For the last few years, Trouble has lead Dollars higher. We think that will change over the next weeks, as we come under greater scrutiny and criticism for actions in the Middle East.

For the Immediate future, we REALLY prefer the Safest investments. If the **LONG BOND** is not safe, then we're ALL in trouble. If you wish for the greatest safety, BUY the bonds of several (at least 3) nations.

ASTRONOMIC ACTIVITY

- MAR 28 = FULL MOON at Perigee (closest to Earth = Biggest Moon!) MOST EXTREME EMOTIONS
- APR 10 = Mars sq Uranus = "A violent temper frequently causes nervous strain...and sudden catastrophes."(AmerAstrDgst)
- APR 15 = The next REALLY BAD DAY coincides with U.S. TAX DAY!! Some are Not Able to PAY??! BAD Markets.
- APR 22 = Pluto opposes the Midheaven of the NYSE Close while 135 deg. To Sun. Power plays affect stocks adversely!
- APR 23-24 = Sun contra-parallel Pluto & Uranus, Venus squares Uranus = "Wildly unstable trends" (AAD) Big DOWN?!
- APR 25 = Uranus parallel Pluto = On avg. Market drops 6 days into & rallies 6 days after!
- With the Full Moon on Friday the 26th & Mercury square Uranus Sunday (28th) wouldn't bet on that 6 days UP!!
- Commodities get another large boost (inflationary) as Jupiter quincunxes (150 deg.) Neptune (30th) & Sun sqrs. it May 1!
- MAY 7-12 = Venus conjoins Saturn=Dorr, Then Mars & Venus oppose Pluto=Brutality, New Moon & 4 planets in 30 deg. Typically, the market suffers quite a debacle within 2-16 months after such an event, after ALL OF THEM!!
- MAY 14 = The MOON actually covers the face (occults) Saturn, then Mars & finally Venus = Another TOP indication.

ATTENTION: The letters are usually mailed 1st Monday. Next month we aim for May 6th.

Our twice-daily HOTLINE update is available at 10AM & 2PM EST for \$4.30 total per 2-3 minute call =1-900-73-SOLAR

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