

CRAWFORD *Perspectives*

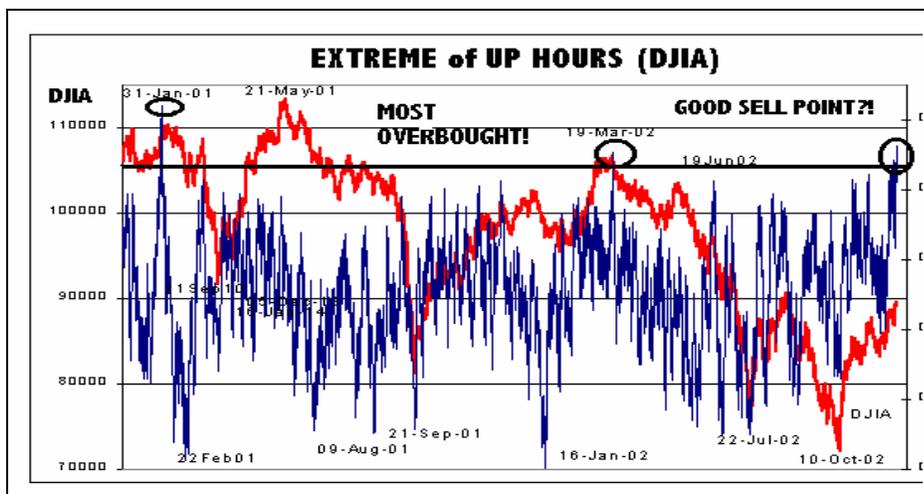
December 2, 2002 Vol. 12/02

SHORT TERM TOP! Could Be Much Worse?!

The Bradley Model chart on page one last month shows an intermediate to longer term TOP on November 26 +/- 2-3 trading days. Our own analysis of the planetary data recommended November 29 +/- 2-3 trading days as the more intense probability. So far, the 29th was higher, while remaining in the time frame of the earlier expectation. The Solar Eclipse on Wednesday could be a further spike UP or a more serious decline than we have experienced of late.

The BRADLEY goes down for nearly all of the first quarter, showing potential for a low around 14 March, implying that previous lows will smash without difficulty. Remember that the sidereal line of the model works amazingly for awhile... and then doesn't! We intend to commit in line with it as long as it can be supported by our technical analysis indicators.

The chart on this page is an exponential average of up hours = +1 and down hours = 0 matched against the Dow Jones Industrial Average. This is only the third time in two full years that this indicator has reached



the highly OVERBOUGHT level above .70 where .50 is neutral and .30 is Oversold. Each was an important high The June 19, '02 peak just below the .70 level occurred before the market rolled over into a steep dive.

Another confirming technical fact is that the major indices have rallied back up to their declining 200-Day moving averages. Strategy would advise short sales against this resistance, and to cover and buy if they manage to break through on momentum and volume (small, weak breaks don't count). Often, there will be at least a temporary fall back away from that MA, even if it is overcome somewhat later.

Uranus and Pluto are parallel in S declination on Friday the 13th. The market is usually down for about 6 days into this aspect. Friday the 13th is not particularly eventful unless accompanied by powerful planets. This one is! Monday the 16th has Saturn trine Uranus (favorable), Sun and Mars contact this alignment on the 17th and the 18th has Jupiter trine Pluto, a Full Moon on the 19th and the Winter Solstice on Saturday, Dec. 21.

All this represents a maximum of outer planet contacts in a relatively short period. Mostly favorable but I am concerned when Mars enters the Uranus/Pluto parallel on Sunday the 15th. That's an "All Hell breaks loose" kind of configuration! And the same day, Mars squares Neptune with Sun semi-square both, sending Gold, Oil and/or CRB Index of commodity prices through the roof on

Monday morning! This could be hostile or deceptive in the extreme.

This past week or so, the tape at CNBC is full of extremely low priced stocks doubling and tripling! Although many are breaking up out of long flat bases, this sort of excessive speculative flavor tends to coincide with intermediate TOPS! Another sentiment indicator, the AAI survey, now indicates 3 Times as many Bulls as Bears (51% to 17%), which is a contrary index where more Bulls is Bearish, and this is very bearish!

So, we will SELL and SHORT NOW, in accordance with the overwhelming short-term evidence. Considering the Bradley Model AND the long-term technical chart picture, we are Short on ALL Time horizons! Hurst Cycles of 10-weeks and 20-weeks are culminating Dec. 26-27, which could assist the placement of a short-term low. There may well be an attempt by Wall St. and possibly Govt. to prevent Press headlines of 3 Double-digit declining years in a row, by forcing up a few DJIA stocks that last week. Traders only may wish to buy for that pop!

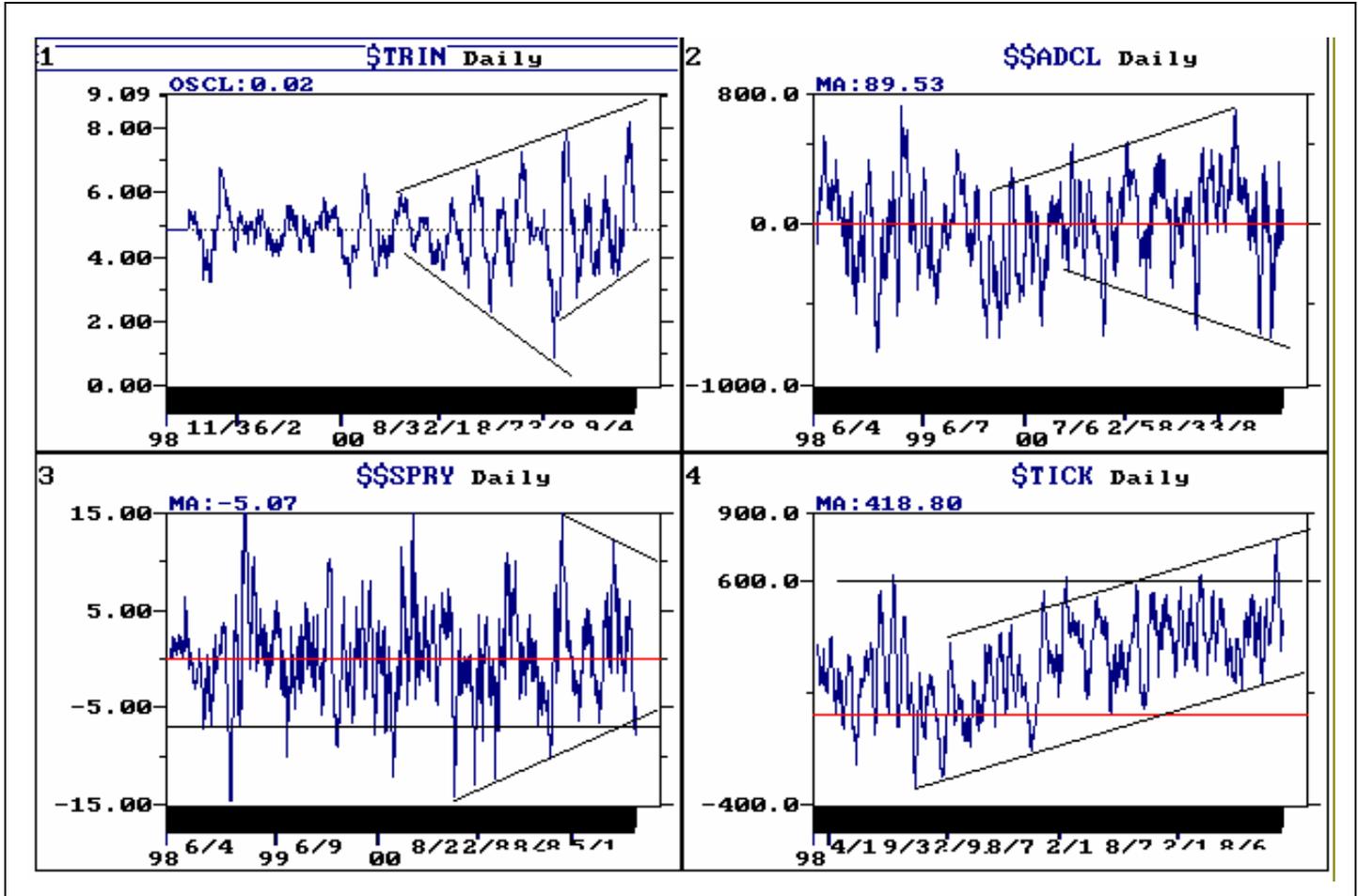
Arch Crawford will be speaking at the huge ROYAL MONEY-EXPO Conference in Ft. Lauderdale, FL January 11-12 and give a 4-hour Power Workshop on Monday the 13th "Secrets Gann Never Revealed About Astrology" Click on their banner at our site www.AstroMoney.com or go directly to www.money-expo.com

VITAL SIGNS

WE COVERED HALF OUR SHORT POSITIONS AND WENT HALF LONG ON OCT 7 (OR WHEN YOU REC. THE OCT. NEWSLETTER, COVERING THE REMAINDER AND COMPLETING A 100% LONG POSITION (WITHOUT USING MARGIN) AS DETAILED FOR OCTOBER 14TH.

WE WISH TO SELL AND SHORT 100% NOW (WITHOUT USING MARGIN) AND PLACE STOPLOSS ORDERS TO BE REMOVED ON ALL POSITIONS AT DJIA 9320, OR S&P500 AT 1003 ON A CLOSE-ONLY BASIS.

THE BRADLEY MODEL GOES DOWN INTO MID-MARCH!



ALL ARE PULLING BACK DOWN FROM RECENT SPIKE HIGHS – LOOK TOPPY!
 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 is now breaking clearly into its higher ranges, showing strength for the general trend, yet nearing a near-term maxima of sorts. Markets should get some downward play into a low around next weekend (6th to 11th). HIGH on the 6th was 8727.80, Low on 11th was 8349.60, a -378.20 DJI

Chart (2) \$\$ADCL is a 10-day moving average of the net change in Advances-Declines (NYSE). A double bottom has formed with the successful retest, and now a potential double top, as well. We believe recent lows will be retested before further progress can be made.

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. The line of "rising bottoms" has not been broken, until now! It now shows lower highs and lower lows, to confirm a technical downtrend!

Chart (4) \$TICK is Closing TICK (NYSE 10-Day). The ability to hold within a long term rising pattern, while markets have been floundering is a very likely sign that Wall Street, or possibly our government is attempting to make the market look better on the last trade of most days! (There is some concern that this indicator, as well as TRIN, could be more easily manipulated since trading began in 1 cent increments.) Intra-Day Highs on NYSE TICK have continued to rise since late 1999 while spiking to sharp new highs for our data record back to 1998! That may be a "blow-off" Top indication over the last days. If so, that would call for more downside market near term.

"The U. S. Tax Code is too complex to be reformed because every line in it has a constituent." – George Will



MAJOR INDICES RUNNING INTO RESISTANCE AT TRENDLINES & MA'S!

Page of 4 Major Index charts (above) highlight the approach to declining 200-Day Moving Averages (Blue) and various trendlines and Fibonacci retracement support/resistance lines. 200-Day MA's current data point is the Average daily closing price for the last 30 weeks. It is healthiest when rising, with the current price above the current Average. At present, the Majors are all Declining and the current prices are Below the averages (Bear Market configuration)!

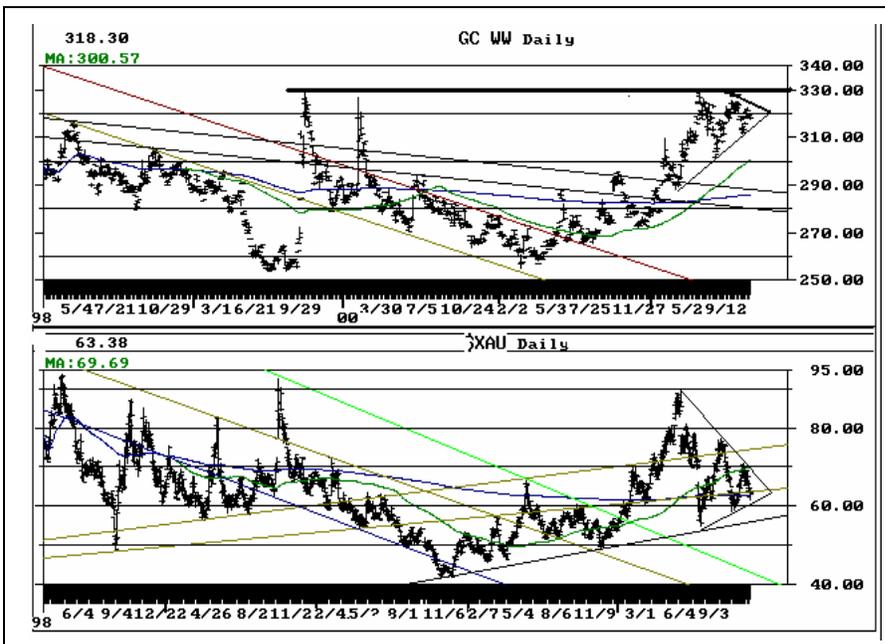
The NDX (NASDAQ 100), being stronger lately, is the only one back to the MA, which remains in declining mode. NDX and INDU (Dow Jones Industrial Avg.) have both closed above their Sept. '01 lows. The OEX, S&P100 (lower right) is almost exactly at last year's low right now. Although the New York Composite Index (COMP – not shown) has closed slightly above Sept. '01 low, it is furthest from its 200-Day MA. Not a good sign, as it is the broader of these Indices.

The 50-Day MA's (Red) on all Indices have flattened out and begun to turn up, keeping Hope alive! But with technical market indicators AND Cycles weakening, against heavy chart resistance areas, even a burst of year-end strength would be suspect. Neither Advance to Declines ratios nor Up to Down Volume Ratios have given any sort of "All Clear" signal. So, until upside penetrations are accompanied by high volume and momentum, we rate markets Neutral at Best, and very probably retaining Bear Market status into the spring!

The chart of NYSE New (52-week) Highs (shown here last month) with the notation: "NEW HIGHS MUST EXPAND IF RALLY IS GOING TO DEVELOP A LASTING QUALITY" has done nothing to add confidence to the total picture. In fact you could say the New Highs line: "Still is sitting, still is sitting...on the floor." (With apologies to Poe who shared a gloomy moroseness with our markets moods these recent years)

Arch will be a presenter at the SIRE group in New York on Jan. 21. Email = RSuttmeier@josephstevens.com for info.

We are still expecting an important move in **GOLD**, which is continuing to form a large Triangle pattern, with higher lows and lower highs, narrowing until it breaks one way or the other with increasing Momentum and Volume. We have identified the next trading High astronomically as December 16. Jupiter/Neptune opposition in Helio on Dec. 31 may represent another TOP indication. Higher or lower?... we cannot say. We believe that a break of the old highs at 332 will bring an immediate spike up to 343 or so, the minimum chart count for that pattern. Although it has not yet broken out, and the stock average (XAU) is weaker, both continue in "coil" formations. The XAU must regain its 200-Day Moving Average (now 69.7) to hold the favorable designation. **GOLD** metal is holding well above its MA, at 300 presently, and looks far more dynamic than the stocks. Traders should BUY the metals complex NOW and sell, and maybe short on the 16th. The Commodity Research Bureau (CRB) Index continues a steady ascent, now one year old, from 180 to 230 (that's Inflation).



We said last month that "OIL may be completing a 4-6 week corrective phase." It made the low on the Sun/Mercury/Neptune parallel, where we wrote: "Intense, wild, deceptive... Oil prices vary." (which may or may not have been helpful! At least it gives a hint about where to look for sudden changes) "With AETNA spewing forth volcanic ash, we could get a colder than expected winter, driving UP Heating Oil." (So far, so good

That Jupiter/Neptune opposition will continue to influence Inflation Hedge commodities, as the opposition repeats on 19 Feb. and 1-3 June of 2003. (Repeating this as dates were incorrect last month) We would prefer to Overweight Metals until that completion. Since our Long-term BUY Signal for **GOLD** in April, 2001, it has been the Best acting Stock Group!!

Currencies including the **Dollar** are very mixed this month with generally counter-trend movements in everything! We have long recommended for maximum safety to have bonds and currencies of nations with strong ground-based asset protection. Australia, New Zealand, Canada, and to a lesser extent Russia and South Africa (greater political risk). Australia has been particularly strong lately.

ASTRONOMIC ACTIVITY

NOV 30 = (Saturday) Mercury conjoins Pluto and trines Jupiter = Major favorable = Bradley TOP Nov 26-Dec 3! Gold low!
 DEC 4 = MOST IMPORTANT DAY! TOTAL SOLAR ECLIPSE! Jupiter Retrograde Station, turning points many markets
 DEC 9-10 = Sun conjunct Pluto, trine Jupiter = favorable, another possibility for a high! FOMC meeting & announcement.
 DEC 11-12 = Venus and Mars in closest to conjunction, traveling together 6-7 Scorpio = Shopping may better expectations.
 DEC 13-15 = Intense release of Energy! Mars/Uranus/Pluto parallel. Venus and Mars square Neptune. WAR? Gold/Oil UP!
 DEC 16 = Monday, Sun half-squares both Mars and Neptune which are square. Price Max for Oil/Gold/CRB commodity index
 DEC 19 = FULL MOON during the trading day (2:10pmEST) Option Expiration on Friday the 20th. Unusual - Hectic!
 DEC 21 = Saturday - Sun on Winter Solstice semi-square Venus = a calendar quarter of "disharmony"!
 DEC 24 = Venus squares Jupiter = Dell Horoscope: "We indulge expensive, extravagant desires & celebrate wantonly"
 Let us assume that means last minute shoppers will be Good for Retail!
 JAN 1-2 = New Moon is semi-square (45 de) Uranus, Mercury Retrograde = Hacking attacks, computer failures.
 JAN 11 = Sun conjoins Retro Mercury, Mars square Uranus = More "surprise attacks" in electronic formats.
 After extremely heavy Outer-planet activity in December, January appears much quieter from the heavenly viewpoint.

ATTENTION: The letters are usually mailed 1st Monday. Next month, that will be Monday January 6!
 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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