

CRAWFORD Perspectives

August 5, 2002 Vol. 08/02

ASTRO ROCKS! (3 TOP TIMERS USE ASTRO!)

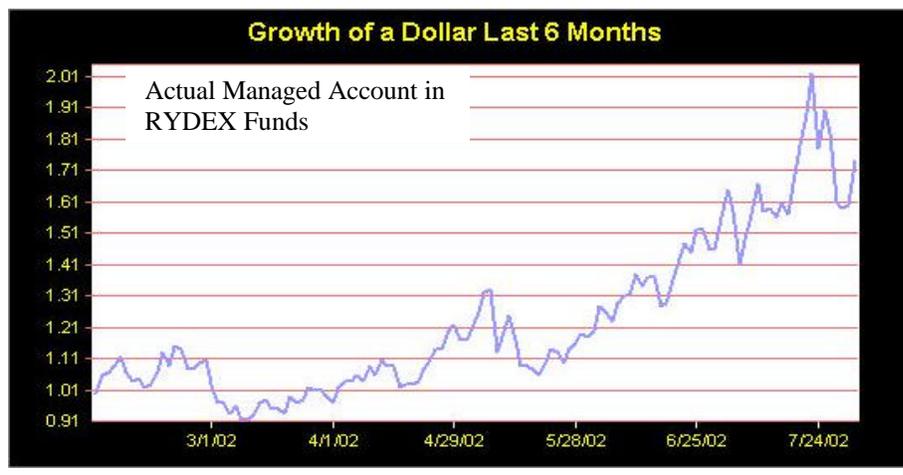
Crawford Perspectives has recently ranked #1 out of 518 managed investment programs with YTD Actual Real Time gains of +80% over at www.select-advisors.com but you must register to view these results. Friend Paul Macrae Montgomery has also been in the very top few under the name of his letter, *Universal Economics*. He uses some astro, especially eclipses, and is familiar with much more. He has been written up twice recently in *BARRON'S*. Bill Meridian of *CYCLES RESEARCH* is currently ranked #1 in *TIMER DIGEST* for the last 12-month period. We are currently ranked there as #1 for the last 6-months. Bill and Arch were in an article together in *FORBES ONLINE* by Peter Brimelow on Jan. 25 '02

Bill's new book *Planetary Economic Forecasting* is recently out with a foreword by Robert Hand, and his original *Planetary STOCK Trading* has been revised & updated. See www.billmeridian.com In meantime, Larry Pesavento has a new book *Private*

VITAL SIGNS

WE SHORTED THE S&P500 CASH INDEX IN OUR JAN. 7 NEWSLETTER AND UPPED SHORTS TO 200% (USING FULL MARGIN) IN THE APRIL 8 ISSUE. WE WILL NOW LOWER OUR STOPLOSS EXIT POINTS PLACING ONE HALF AT 1070 AND HALF AT 988 BASIS S&P (CLOSE ONLY).

FOR THOSE WHO PREFER THE DOW JONES INDUSTRIAL AVERAGE, WE SHORTED 100% AS PER THE APRIL 8 LETTER AND INCREASED TO 200% SHORT ON APRIL 23 CLOSE AT 10,071.32. PLACE STOP ON ONE HALF AT 9820 AND HALF AT 9300 (CLOSING BASIS ONLY).



Thoughts From A Trader's Diary, but no astro in this one, as in some of his earlier works. See www.tradingtutor.com

Now, about those markets... Oversold Readings abound in Daily and Hourly statistics across a wide front. Getting to a point where we MUST rally...or roll over into a more serious accelerating decline. We are looking for a short-term low on Monday or early Tuesday, then further attempts to rally at least into the weekend of the 9-10th as per the Bradley Model (shown last month). May have a short-term top on Thur. close or Fri. open.

Near term we are concerned about the dominoes falling in South America. (and we don't mean pizza!) Treasury Secretary Paul O'Neill leaves today for Brazil, Uruguay and Argentina with band-aids and bailing-wire in hand. We wish him God-speed!

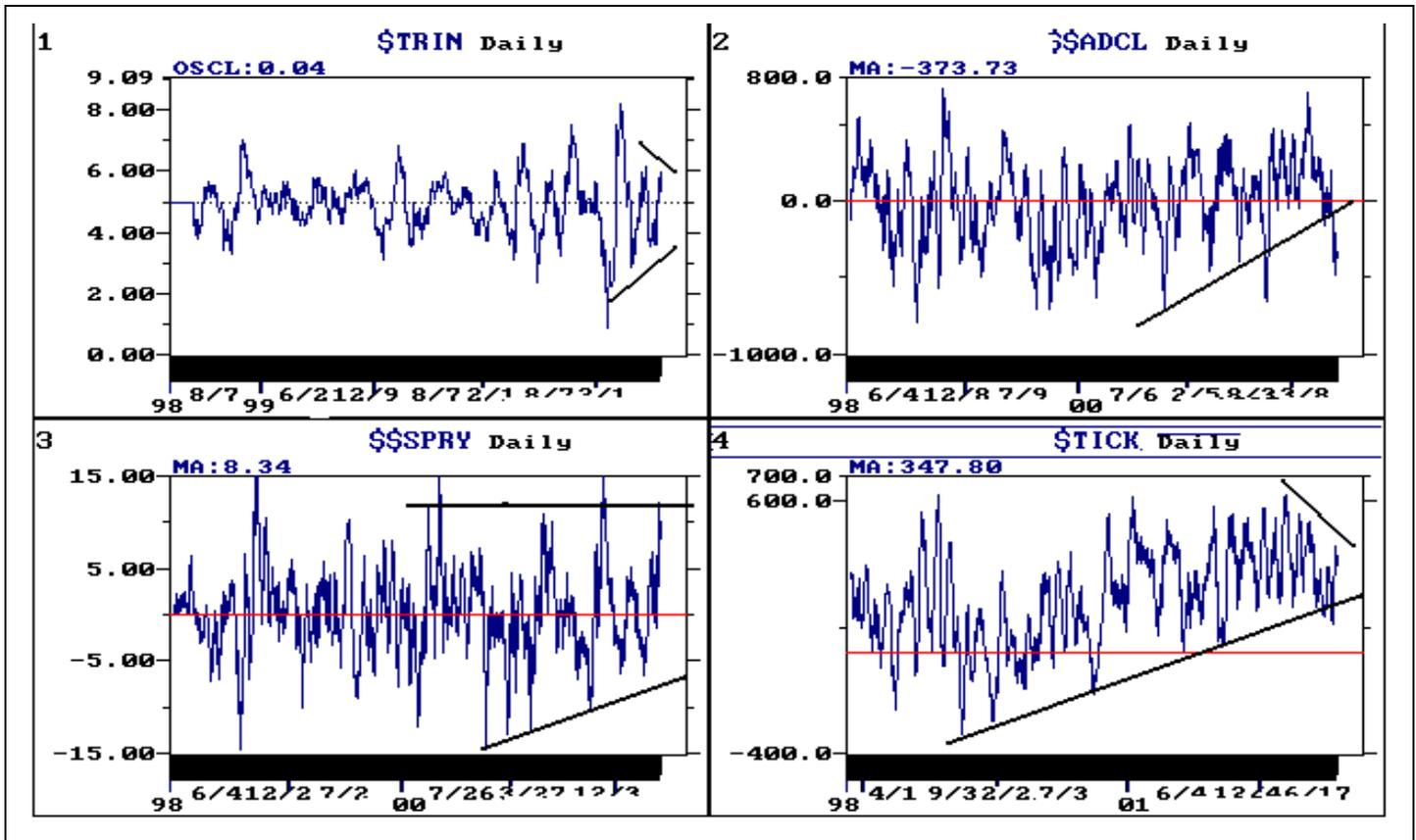
The New Moon Thursday is conjunct Mars (44 minutes of arc – that's really close) and the 3 are Trine Pluto and the Moon's South Node. A NM that close to Mars would make us automatically think of WAR, but the Trine aspect usually mitigates, to some degree. In addition, Venus sextile (60 deg) Jupiter lends a "party atmosphere" to whatever else transpires. Mars/Pluto sometimes affects Interest Rates and Pork Bellies. Whatever connection exists there is not exactly obvious! (Maybe it has something to do with that old saw comparing making sausage and the laws?) FOMC meeting is on the 13th, with little astro-activity.

The remainder of this month is

choppy, difficult to trade. In contrast, September looks decidedly negative. We choose to keep our Short positions, with Stops, and await further developments. Particularly for the reason that we have concluded THREE tight planetary conjunctions, any one of which is normally suitable for rapidly declining markets. They were May 14, July 7-8 and July 19-20. Consider also that these 3 are within 10 weeks and following a Major Breakdown from 3-year Topping patterns in the major stock Indices. We believe these combinations are Lethal, and their immediate results could continue through these otherwise mixed indications.

Another deadly combination is represented by the New Moon late on Sept. 6 is almost exactly square to Pluto. This time there are no mitigating trines or sextiles (except to minor asteroids-maybe it will help). Just Raw Power wielded on a global scale and without mercy.

We are very excited about the astro-prospects for GOLD!! We moved into long-term positions in the April 4, 2001 newsletter. After being the #1 performing stock group last year and #1 most of this year, it has suffered a "normal" return to trendlines & moving averages. August is the "seasonal" low for Gold as European dentists and jewelers go on vacation for this month. More Important... Jupiter, the most "expansive" planet has just entered the sign Leo, which is said by astrologers to "rule" Gold. Look for a tremendous surge in the precious relic by mid-September.



THESE SEEM RESISTANT TO GIVING US A GOOD WASHOUT LOW!

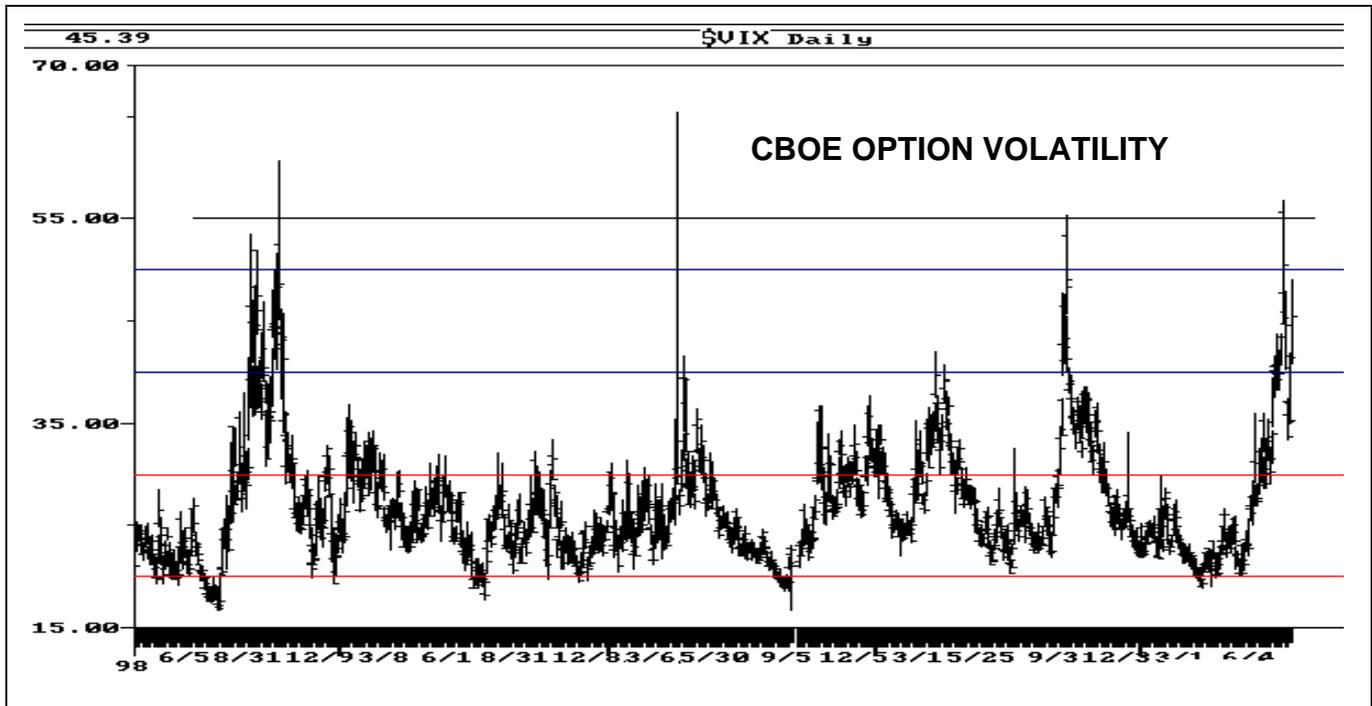
As a general rule, these indicators are positive when low and rising, weak when high and falling.

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 the pattern of Higher Highs AND Lower Lows, first with a higher low, and now with a probable lower high. If it slips below the recent higher low, the market will accelerate immediately into a Capitulation Phase! At this point it is forming a "triangle" pattern in neutral range.

Chart (2) \$\$ADCL is a 10-day moving average of the net change in Advances-Declines (NYSE). After demonstrating an ability to remain consistently near the range highs, and looping higher in a probably exhaustive maneuver, it appears that an important top may be in place, now confirmed by a break below several recent lows just under the Zero line. May be in process of 'capitulation' now! Still more room underneath for a major Down Spike!

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. The last rally failed at a lower level, and left this pattern vulnerable to a more serious break. Not accepting that invitation, it turned and moved higher into another Overbought condition. Strange at this juncture. We would still prefer (and expect) to see a Washout to the lower range of previous lows.

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 in October 2000. They have never gone lower, nor even penetrated into the negative range since then, despite bad markets over extended periods. 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.) This recent action is the worst we have seen in some time, as the momentum continues to Roll Over, but so far with only minor breaks.



“FARTHER & LOWER” – Christopher Carolan

This paragraph is from Chris Carolan’s *CALENDAR RESEARCH REPORTS* www.CalendarResearch.com (770-270-4994) in Atlanta, GA:

“**The Bottom Line: ‘It’s Different’** is my designated mantra for this market. The parallels with the past are there, but one needs to look farther back in time to find them. The comparison is with the 1930’s and no other time period, and then the conclusion can only be that prices must go much lower. Much of the past twenty years of data that resides on most analysts’ PCs is useless in forecasting this market. Just ask those analysts who’ve been bullish the last three months based on high Arms index readings. Their portfolios are armless now, if not headless.”

Chris, as Paul Macrae Montgomery, uses Lunar Syzygies (New & Full Moons to you & me) to time important turns in a number of stock & commodity markets. His book *The Spiral Calendar*, is a classic, and his paper *Autumn Panics: A Calendar Phenomenon* won the 1998 Charles H. Dow Award and was printed in *BARRON’S Financial Weekly*.

We are of the same opinion that after the Longest, Wildest, Mania Bubble in all of written history, the aftermath will appear in some ways similar to the last large one...only WORSE! One ramification leads to very Oversold Markets which stay oversold, reaching extremes on technical indicators never before witnessed, yet without producing important market turns.

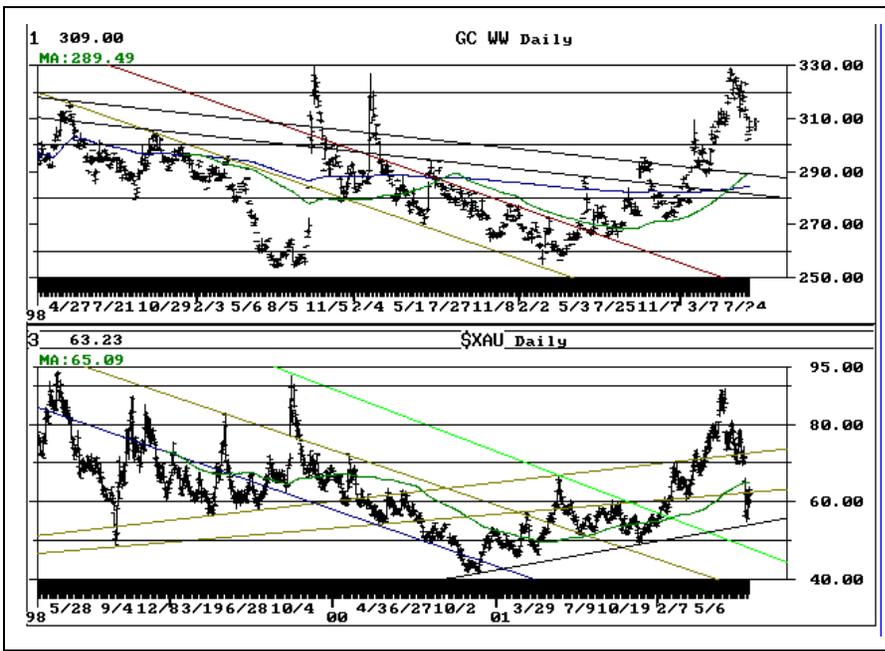
Many of our best technical market indicators are already manifesting this extreme characteristic. ARMS or TRIN, Put/Call Ratios, New 52-week Lows on various exchanges, Odd-Lot Short Sales, almost all Rates of Change and Oscillators of every description have reached levels commensurate with most prior lows, and have then exceeded them. As human nature is the one constant, Sentiment Indices are probably the most reliable in this context.

I can assure you that we have NOT SEEN enough PANIC to account for the 50% losses suffered in the S&P500 at its lows last week. A closer inspection will reveal that most indicators have advanced more or less gradually, approaching their extremes with a steadiness uncharacteristic of panic bottoms. The implications are that since this 50% contraction has NOT led to a full Capitulation, the Final Spike (up in indicators, down in prices) will be Spectacular beyond belief... inconceivable to a majority of current participants.

We have noted sharp rallies that conveyed a temporary Hope to some investors, and there will undoubtedly be better and longer lasting ones along the way. The BEAR wants to keep investors IN as long as possible, and will throw an occasional sop to accomplish its aim.

Before the lows, you will see Hopefulness turn to Disbelief and then to Despair as realization dawns that “Great Expectations” has been revised and re-issued by Tolstoy! And THEN...it will remain QUIET for several years. You will NOT live long enough to recover your losses. In other words, This GAME is OVER! It will not return to its former Glory! We are not pulling the strings; we are not the Cause of this demise. We are merely Observers. Please don’t shoot the prophet...He’s doing his best!

We are very excited about **GOLD** and the **XAU Index**, as the entry of the planet Jupiter (most Expansive) into the sign of Leo, said by astrologers to “rule” **GOLD!** When I traded Gold for a living in the mid-70’s, I was told by astrologers that when Saturn came to Leo, the price of gold would drop. I laughed up my sleeve at them. But the day Saturn entered Leo, the IMF announced they would sell tons and tons over months & months! Now, Jupiter generally has the opposite qualities to Saturn, so I’ve been waiting for this day to come about! (July 22 in Helio, Aug 1 in Ecl. Long., & Aug 23 in R.A.) We have just re-entered long positions on our short term Hotline Updates, after being stopped out much earlier. We held all positions that are in your Long-term portfolio, as we believe that multi-year advances are before us. Last month, we wrote: “Again, the exception is the very short term trading



account. Momentum is slowing, and a nimble one might take some money out on the short side”. **SILVER** has also joined the general rout after holding for some time well above! Also a **BUY & HOLD!** The word is now that the Smart Money is Buying **GOLD**, but the Smartest Money is buying **SILVER!**

Other than the Metals, **Non-U.S. Currencies** have been the steadiest gainers (against the **US\$**). Very Long Term charts indicate that the **Dollar** has a long way to go on the Downside, while near term appears to be attempting an upward reversal. Therefore our admonition to buy **BONDS** of at least 3 other countries, especially those with strong assets in the ground, such as Australia, NZ, Canada, South Africa and Russia. Their Stock Markets have been strong of late, as well. They are all attempting to make counter-trend moves. Again we say let the Long-termers hold while traders may want to take the counter-trend positions. Place stops the other side of recent extremes.

Among the agriculturals, **Soybean Complex** are the strongest leaders, now joined by **Corn & Wheat, while Cocoa and Sugar** are experiencing minor corrections. Earlier, we said: “**COPPER** looks very toppy, and that is bad news for our economy as it is a precursor”, yet, it had continued in its middle range, has finally dumped from \$0.80 to \$0.67 the last 2 months. The **CRB Index** has also been a steady gainer, rising from a low 180 last October to current 210! We feel strongly that **Commodities** Generally will move higher while stocks lose much value. Buy commodities for a **BIG** move.

ASTRONOMIC ACTIVITY

- AUG 1-2 = Jupiter enters Leo 135 to Pluto as Neptune & Saturn are attacked by Venus & Sun = Bankruptcies in Realty! REAL ESTATE will no longer Power our Economic Engine. Problems with restaurants and Food also surface.
- AUG 6 = Mercury contra-parallel Pluto, Uranus quintile (72 deg) Pluto = This may force markets lower temporarily.
- AUG 8 = New Moon in close conjunction to Mars may create hostile situations, hot weather, fires. Venus sextile Jupiter moderates the worst of this period, lending a “party” atmosphere of joviality.
- AUG 9 = Pluto on Ascendant opposing Moon’s Node on Desc. At NYSE Close = Market could sell off again Friday!
- AUG 15 = Mercury square Pluto = Could be hard down again, at least in the morning.
- AUG 16 = OPTION EXPIRY = Mostly minor harmonious = Maybe a feel-good rally that won’t last
- AUG 17-20 = Heavy aspects on the weekend may bring a hangover on Monday morning.
- AUG 21 = Saturn trines Uranus, Mercury 135 to Neptune, Venus sextile Pluto = Mostly favorable.
- AUG 24 = Mars opposes Uranus = Beginning of potential CRASH cycle. AUG 26= Pluto Direct station. = OIL?!
- SEP 2-4 = All sextiles & trines, also seasonally favorable = A pleasant US Holiday and good opening on Tuesday.
- SEP 6-7 = New Moon square Pluto = Hostile in the extreme. Power controls, worst unconscious motivations rule.
- SEP 11-24 = Excruciating rise in the price of GOLD!! Perhaps many other commodities, as well.

ATTENTION: The letters are usually mailed 1st Monday. Next month, that will be Tuesday September 3rd!

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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