

## ASTRO BRADLEY MODEL NAILED IT AGAIN

### STOPPED INTO BUYING LONG

“The Bradley Model Continues sharply lower into March 13, +/-3 trading days...Some sky stuff could extend the questionable period as late as March 28-31.”

We did not follow our own advice quickly enough, although we did tighten Stoploss Points which have all been executed, the last half on Friday, leaving us 100% LONG without using Margin.

Wanted to view the effect of several other astro turn dates this past week = Full Moon & FOMC (18), Vernal Equinox (20), Mercury/Sun conjunction & Option Expiry (21) and Pluto Station (22). Perhaps a mistake.

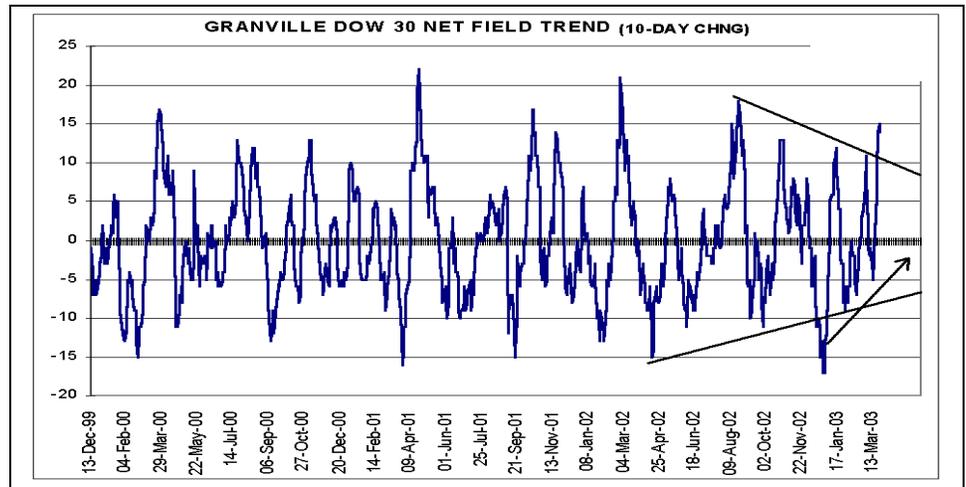
Our opinion of the major inflator hedges: “And the OIL now appears to have made a similar Top Thursday, that the Gold did on Feb. 5. Both performed classic One-Day Reversals, making new contract highs, and closing near or on their lows. That

## VITAL SIGNS

**LAST LETTER, WE LOWERED STOPLOSS LEVELS TO 860 BASIS S&P500 AND 8100 VS. THE DOW JONES IND AVG.**

**LOWERED THE SECONDARY STOPS TO 890 S&P500 AND TO 8400 BASIS DJIA, AND CONVERTED THEM TO “STOP AND REVERSE” ORDERS.**

**THEREFORE, WE COVERED THE 2<sup>ND</sup> SHORT AND BOUGHT LONG 100%, W/O USING MARGIN WHEN THE 2<sup>ND</sup> STOPS WERE HIT. PLACE STOPS ON THE NEW LONG POSITIONS AT 780 VS. S&P500 OR 7800 FOR THE DJIA.**



probably nails the near-term as DOWN in at least 2 of the 3.... There will probably be Higher Highs in early June, but remain negative for several weeks to a month or more.” (3<sup>rd</sup> being the CRB Index). ALL THREE have caved meaningfully since those March 3 comments.

Was the OIL dropping before the War a result of insiders knowing what we revealed to you last letter?...that many Iraqi oil fields were in the hands of U. S. & British commandos before the end of February! On CNBC, Ron Insana made mention of a rumor that Saddam was bombing his own oil fields. Why do that if he could walk over and strike a match? In light of our early occupation forces, it would have made perfect sense!

Another little item the free? Press neglected to mention. Why were some of our best allies, France & Germany, fighting us on this issue? Because THEY WERE ALREADY GETTING IRAQI OIL around the UN Sanctions! My opinion: The world’s governments have agreed not to air too much of each others dirty laundry – “Let’s not tell the Rubes what we’re doing behind their naive little backs.” We only find a crumb of the truth when internal rivalries become openly bitter.

Other than the Arab-Israeli conflicts, the EURO-block versus the US\$-block is becoming bitter. Prepare to learn maybe more than you want to know about international politics!

As for the stock market, it came down, became “Oversold” by many internal measures, and then Kept On Going Down! When it got to the Cycle

Date...BANG...and away she goes. The fear was palpable, but there was little technical Capitulation. Then: “**Last Monday’s 5.81 reading was only the 4<sup>th</sup> time since the 1987 ‘crash’ and its accompanying bottoming process that the ARMS Index was in excess of 4.00.** Each of the prior three occurrences was followed by what proved to be a multi-month intermediate rally. However, 2 of the 3 rallies first underwent a rally-test sequence before the intermediate uptrend took over in earnest.” *Market Analysis Comment* from Merrill Lynch 17 March’03.

Will markets accomplish some sort of retest here? After 8 days rally, without let-up, some retracement would seem natural. The Quality and Extent of that retrace will give us better info as to continuation scenarios. The Bradley Model hints at a mixed April and a dynamic May-June. Our own Hourly studies are as “Overbought” as they ever get. In a dynamic BULL, 1-3 days down, and they turn back up.

If a more serious retest is accompanied by further technical strengthening, we will position 200% Long, using Margin, for the May-June expansive phase.

Arch Crawford will be participating in an intensive training workshop with Robert Miner, Larry Pesavento, Mark Douglas and Alan Farley May 3-6 in Scottsdale, AZ. Link to info & registration is [www.tradersworkshop.com](http://www.tradersworkshop.com)



**A NUMBER OF TECHNICAL RESISTANCES HAVE BEEN OVERCOME!!  
Major Indices sliced through 50-Day and 200-Day Moving Averages**

Charts pictured above show (\$SPX) S&P500 Cash Index, (\$INDU) Dow Jones Industrial Average, (\$NDX) NASDAQ 100 (not COMPOSITE), and (\$OEX) S&P100 Optioned Stocks on CBOE.

ALL have broken above their 50-Day MA's (red) and their 200-Day MA's (blue), an impressive accomplishment. Two of the four have also moved through important Downtrend resistance lines (Dark blue & dark green straight lines). MACD studies, at bottom of individual charts, have turned more positive, as well.

We had placed our STOPLOSS Orders (to cover Short positions and go Long) above 2-3 of these technical resistance points on the DJIA and S&P500 (your choice which to follow), and ALL have been activated.

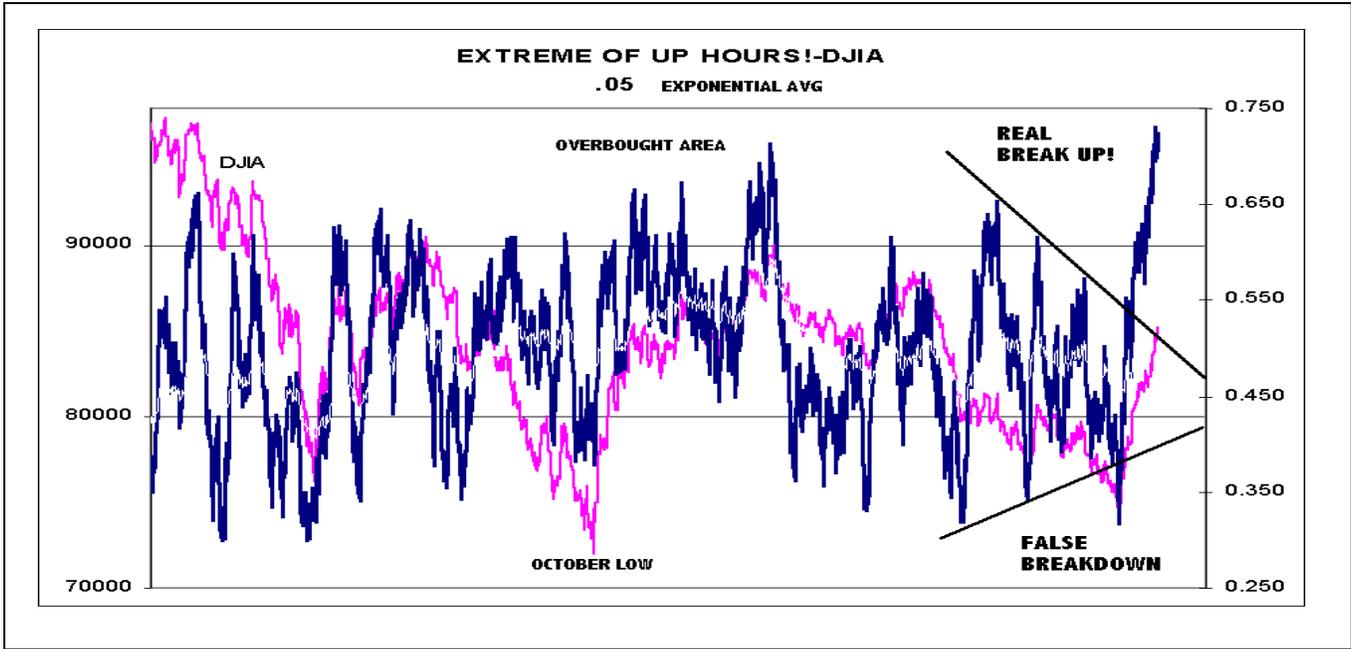
After 8 straight days UP, a pull-back for 1-3 days would not be unexpected, immediately. Especially since there were several potential turning points this past week, starting with the Full Moon on Fed Open Market Committee last Tuesday, followed in rapid succession by the Vernal Equinox

(Thursday) and the Mercury/Sun conjunction (Friday) and the Retrograde Station of Pluto (Saturday).

An even deeper retracement 'could' begin right away, but we suspect Fund Managers with too much Cash will continue the advance into the end of the quarter! God help them if their balance sheets show that they missed it!

A more serious retracement to retest these broken resistances (now become Supports) will more likely take place during April. Recent Oversold technical extremes, and increased volume on this rally cast serious doubt that the July-October-March bottom configuration will be threatened. Although we expect those lows will be challenged at the next Seasonal ebb tide in the October-November time period.

If you wish to know more about Technical Market Indicators, we strongly recommend the newly and Completely Revised Second Edition of *The Encyclopedia of Technical Market Indicators* by Robert W. Colby, CMT McGraw Hill, (NY, NY) 2003 \$70 This just released new edition contains a chapter on astrological cycles.



### WITH 8 UP DAYS IN A ROW, WE HAVE QUITE AN EXTREME OF UP HOURS!

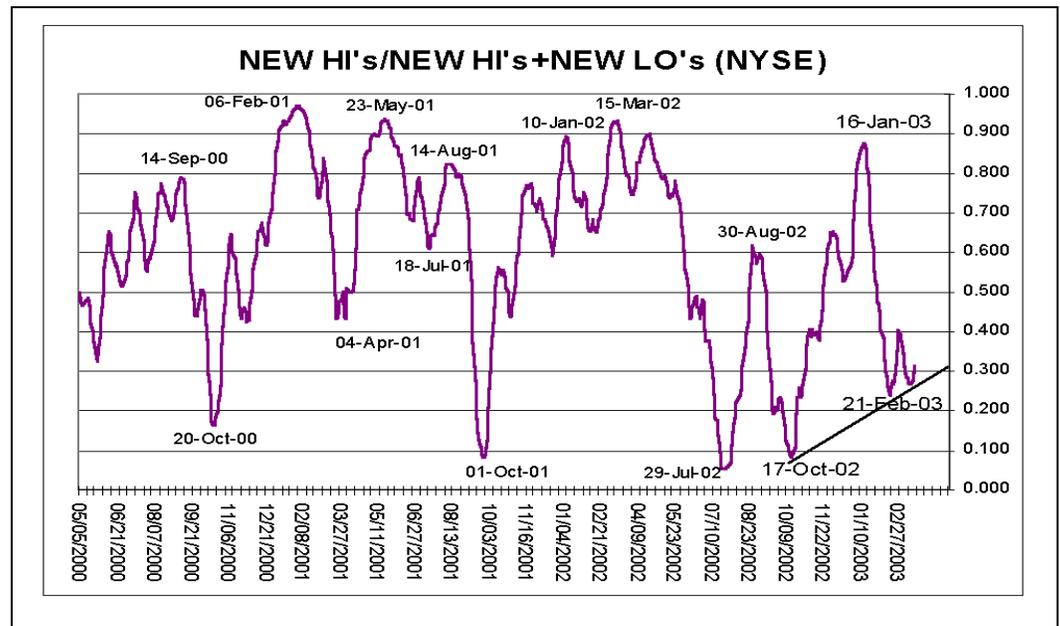
Last month, we showed this “UP HOURS” chart on page one, indicating that the Neutral Triangle (marked as such, this time) could break either way. The first break was to the downside, which, in hindsight, appears to be False. Certainly the following Upside break has carried further & longer, reaching a greater extreme than any recent peak. The unbroken eight day rally is the first since 1982, which kicked off the BULL Market in earnest and led to an 18-year string wherein no previous year’s Low was ever broken, an historic oddity.

Will this show of strength bring back the Halcyon Days of DOT.com? We believe that’s “California Dreamin’”, and, like the Gold Rush ‘49ers, that day is done. Alan Abelson column in *BARRON’S* this week has some fundamental comparisons of now with 1991, compiled by Ned Davis Research. Some examples: P/E ratios 27.7 vs. 15.5, Dividend Yield on the S&P 1.91% vs. 3.75%, Mutual Funds Cash 4.4% vs. 11.4% and Credit Market Debt of \$31.7 Trillion vs. \$13.8.

With the addition of some “sentiment” readings, old friend Ned thinks, and we agree, that markets will not be able to develop the “thrust” that the richer fuels of an earlier time would allow. Remember though, that Bear Market Rallies can put on a rather spectacular show, though unsustainable, for much shorter periods. Our Astro-cycles confirm the possibility of a 3-4 month exaggeration which may convince many of a New Bull. We are not against playing it for all it is worth. But do not get that glaze over the eyes that blinds one to continuing dangers.

The New Hi’s/New Hi’s+New Lo’s chart also points up a favorable series of ‘higher lows’ but not nearly so dynamically as our other charts, including page one ‘Climax Indicator’ chart. New Highs on all exchanges are lagging badly, although they tend to take some time, especially after a prolonged negative trend.

We may yet require some consolidation around the 200-Day moving averages shown on page 2 charts, and it will take much greater strength to turn the Weekly and Monthly charts positive. Have a fling, but don’t marry this one!

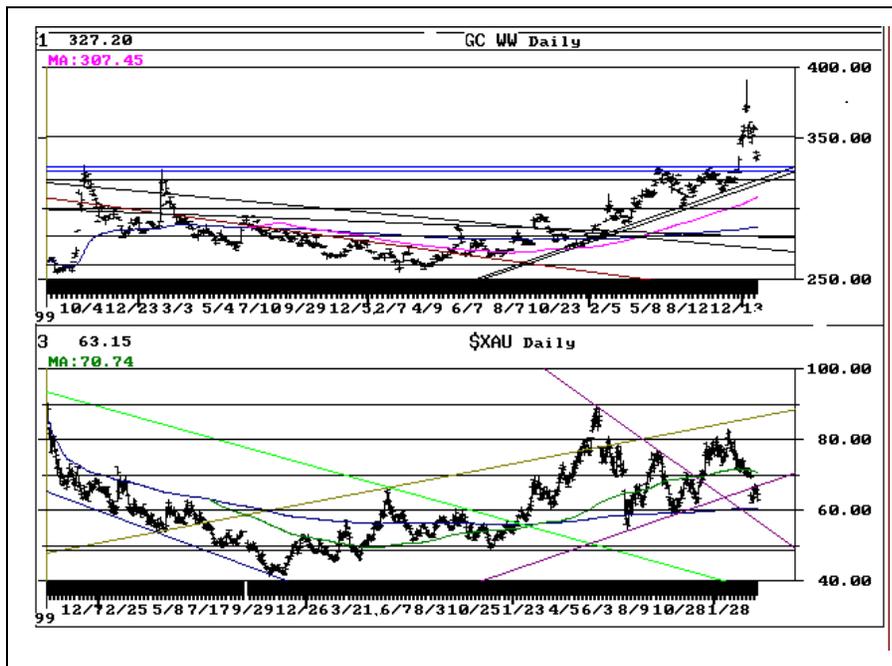


We often lump **GOLD, OIL and CRB Index** together as they all tend to respond to the cycles of Jupiter & Neptune. On major alignments, as in February, all three completed significant reversal patterns and have fallen drastically since. Our analysis would suggest a low around the Jupiter Direct Station on April 3 +/-3 trading days. They should be moving higher by April 13 latest and Explode Upwards on the April 16 Full Moon – Much more so on the May 1 Lunar Eclipse!

“And the **OIL** now appears to have made a similar Top Thursday, that the **Gold** did on Feb. 5. Both performed classic One-Day Reversals, making new contract highs, and closing near or on their lows. That probably nails the near-term as **DOWN** in at least 2 of the 3. ... There will probably be Higher Highs in early June, but remain negative for several weeks to a month or more.” **Hey – That’s worked out pretty well!**

The wildest trade, lately, was the Natural Gas contract, which rose about 55% in two weeks, culminating on February 28, as the Moon conjoined Neptune and formed a semi-square (45 deg) with Mars. It has subsequently dropped about 67% into Friday, March 21.

We have continued to recommend the Stocks, BONDS and Currencies of Australia, New Zealand, Canada, and to a lesser extent Russia and South Africa (greater political risk) for the last 2 years! “The Major shift to Resources is ongoing and will probably last for years, with reactions from time to time. A successful prosecution of the WAR could point to a decline in these items for the next 3-4 months, and perhaps some recovery in the **USD**, which has been hovering just below the 100 mark for the last 5 weeks.” **This has continued to work! US\$ has rallied nearly 5% since the first week of March. We predict Major Hits to the US\$ in mid-April and on the Eclipse of March 1. Could be a foreign conspiracy, against the \$ and probably pro-GOLD!**



## ASTRONOMIC ACTIVITY

- MAR 21 = Mercury and Sun conjoin at the Equinox, special energies, unusual news, another possible Turn Date! OPTIONS!
- MAR 22 = Pluto stationary Retrograde = Psychological Insights. Finding something you’ve lost. OIL turns??
- MAR 27-28 = Venus with Uranus, both square Moon’s Node = Exaggerates market swings. Excitement. News meetings.
- APR 1 = New Moon at 11Aries39’, ardent, maybe. Try not to be an April Fool! Japanese year-end Financial reports?
- APR 3 = Jupiter turns stationary Direct = Moods lighten, Better for the world & the markets!
- APR 6-8 = Mercury Contra-parallel Pluto, Moon opposes Pluto = Another aspect of the War rattles markets temporarily.
- APR 14 = Moon’s node backs into Taurus = Financial/Economic Information takes on a greater meaning.
- APR 16-17 = Full Moon form a T-Square with Mars = Hostilities back in the open, Explosions, Volcanoes, Fires.
- This Full Moon sets off Pres. Bush’s natal Saturn square Hades = Must needs be especially careful!
- APR 18-28 = Mostly positive aspects = Markets UP, Gold down. Sudden reversals on the 29<sup>th</sup>!
- APR 26 = Mercury Retrograde = Get important business behind you before today – Not Direct until May 20!
- MAY 1 = New Moon forms a T-square with Jupiter/Neptune near opposition, setting off GOLD & OIL again!!
- MAY 12-13 = Mercury square Mars & Neptune = News about WAR over OIL.
- MAY 14-15 = Most Important High Tidal Force Perigee Lunar ECLIPSE! while Mars conjoins the Neptune Station!

**The letters are usually mailed 1<sup>st</sup> Monday. may try to get it out on April 28 as Trading Conference May 3-6**  
**HOTLINE** update is available at 10AM & 2PM EST for \$4.30 total per 2-3 minute call at **1-900-737-6527**.

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