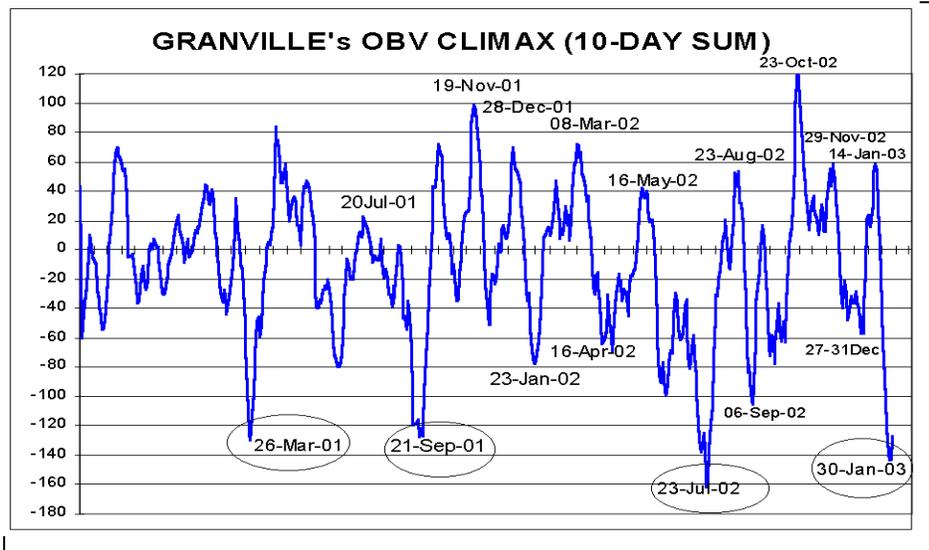


## COMPLEXITY! SIGNS OF HIDDEN STRENGTH?

The Bradley Model continues sharply lower into mid-March, and we are particularly concerned about energies swarming around February 16! That date contains enough planetary energies to smoke a camel, so to speak. It may herald our attack on Iraq, or Iraq's attack on Israel, or somebody's attack on somebody! It will most certainly NOT favor cool, calm deliberation, nor foster moderation.

Uranus (Revolution) opposes the Full Moon and conjoins the Sun bringing the highest forms of emotional hype, for good or ill. Mars (War) joins Pluto (Underworld) for a maximum of confrontation on a deeply visceral level. Somebody is going to Blow the Hell out of something...with malice aforethought! Jupiter (bankers & lawyers) opposes Neptune (drugs, oil, deception & confusion, the sea, Inflation), putting the prices of Gold, Oil & the CRB Index through the roof, possibly forming a near-term Top there.

This alignment is not quite as dangerous looking as the Grand Cross during which Saddam attacked Kuwait, unexpectedly! But this one is more influential on the birth chart of George W. Bush. Pluto will cross the position



of the Moon at the moment of his Inauguration on Feb. 16! (The masses will feel differently about him). The Saturn Station on the 21<sup>st</sup> is near his natal Uranus. (Delays in fulfilling his objectives). The Jupiter opposition to Neptune will closely join and oppose his natal Pluto. (He could make a pile of money from a secret business deal)

Traders should be short stocks that weekend (14-18) and long Gold & Oil, possibly reversing on Tuesday, the 18<sup>th</sup>. Remember that Monday is a holiday in the US, but not elsewhere. Some of these times, plays are made against our markets in our absence. Watch especially the currencies! This is a decidedly emotional and tricky period. It may be best to just stay away during these unpredictable and volatile moments. BUY volatility!

In meantime, technical market conditions are becoming more contradictory. Note that indicators on page 2 show two at near extreme lows (ADCL & TICK) while the other two (TRIN & SPRY) are almost exactly neutral. Although sentiment of advisors measured by *Investor's Intelligence* ([www.chartcraft.com](http://www.chartcraft.com)) has risen back to 50% Bull levels (1/15) due to sharp early Jan. rally, later figures from *Market Vane*, *Consensus Index* & *AII* show the public more cautious at 25%, 33% and 25.5% Bulls, respectively, this past week.

Sentiment expressed with actual Money at RYDEX Funds has moved over to \$4/1 Bears, a greater extreme than that

experienced at the July and October lows and possibly a contrarian buy signal. Option Volatility Index (VIX) and odd-lot short sales are quite high, but look as though they could go much higher, on a further break of Index support areas.

Most indicators based largely upon Dow Jones Industrial data show a far greater degree of Oversold (extended negatively so that a strong bounce may be possible) than any other technicals. NASDAQ has had greater volatility UP when markets are up, and greater DOWN when markets are down. But recently, NASDAQ is holding better in this downtrend, another anomalous condition? Granville's 30-DJI Climax Index is at "bottom" levels.

One advisory uses new lows (NYSE) over 40 for 3 days in a row as a potential SELL signal. This was activated on Jan. 27. Yet since then, new lows have contracted each and every trading day, failing to follow through. Put/Call Ratios, though, do not exhibit high numbers, associated with market lows, even slightly below recent Neutral readings.

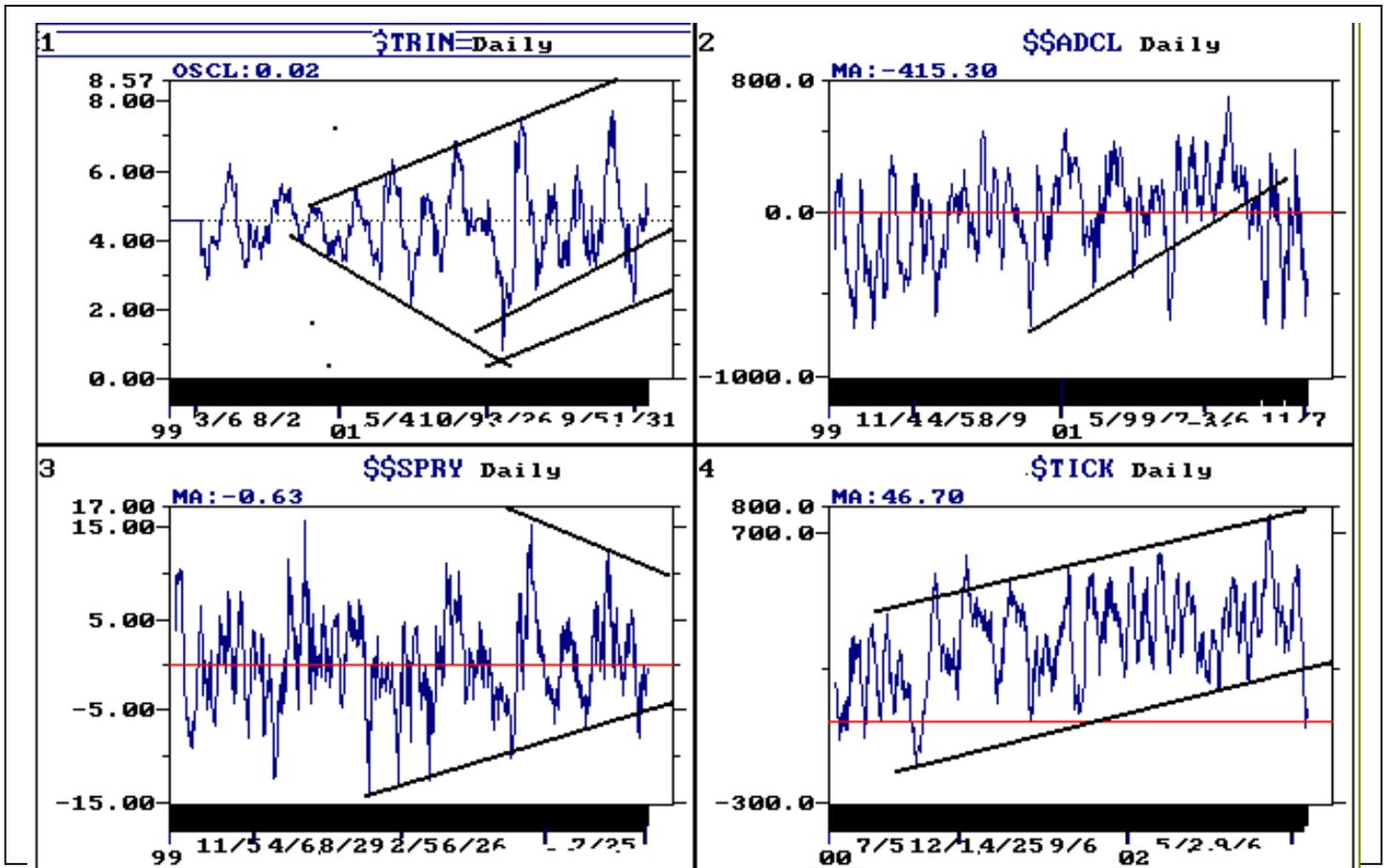
The long term chart patterns, however, are the WORST, and are further exacerbated by 200-Day and 50-Day Moving Averages, which index prices have NOT been able to surpass and hold. We are going to opt for these as the deciding factor, **and cover our shorts ONLY if critical recent highs and MA's are clearly exceeded!**

## VITAL SIGNS

**LAST MONTH WE SAID TO SELL YOUR LONG POSITIONS AND SHORT AGAIN ON JAN. 21, STILL WITHOUT USING MARGIN.**

**WE WILL DOUBLE UP SHORT SIDE ON FEB 13, USING FULL MARGIN, ON A HELIOCENTRIC GRAND TRINE AMONG VENUS, SATURN & URANUS.**

**STOP 50% AT 980 AND REST AT 1030 BASIS S&P500, OR IF YOU WATCH THE DOW JONES INDUS., STOP OUT SHORTS HALF AT 9070 AND HALF AT 9200.**



**TWO OF THESE INDICATORS ARE QUITE OVERSOLD & TWO ARE NEUTRAL!!**  
**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, which was highest on record in early December, and near its lows in early Jan. are smack, dab in the middle at this time. **No help there!**

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 then a double top, as well. It has now pulled back and is retesting recent lows for a 3<sup>rd</sup> hit at these levels. Not much room for further declines, historically. May have to rally soon before much more downside re Major Indices. Or else we'll quickly see historic Oversold conditions – scary!

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 now been broken, leaving this indicator in a confirmed technical downtrend! Touching previous lows, and now returned to Neutral, still vulnerable.

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 in early Nov., for our data record back to 1998! That "blow-off" Top indication has now led to a Breakdown to lows not seen since October, 2000! I think the Wall St. & Washington, DC manipulators are no longer supporting the Bush Presidency! Anything can happen!

"Household net worth is falling at an annual rate of \$1.8 trillion, says the FED. But mortgage debt is rising at nearly 13% per year – 4 times as fast as the economy, personal income, and inflation." - *The Daily Reckoning*



## RETURN TO THE CHART OF THE 3-4 YEAR TOP PATTERN!

This chart of the S&P500 Cash Index was on this page of the September 4, 2001 *Crawford Perspectives* with a thorough technical analysis of its salient features, indicating the probability of a “cascading Capitulation phase.”

Here’s our analysis from that issue:

“The S&P500 WEEKLY CHART (above) indicates a multitude of problems with the “Continuing Bull Market” thesis:

- 1) The steepest uptrend line broke down briefly last September, decisively last October, (’00)
- 2) The 2<sup>nd</sup> steepest trendline, which was of much longer duration broke decisively in early March; (’01)
- 3) If the 3<sup>rd</sup> “Fan Line” breaks (now at about 1110, not shown), it will confirm a much greater weakness!
- 4) In fact, after the 2<sup>nd</sup> line broke, prices moved back up to “kiss” the bottom of that line, then fell away once more, giving a further negative technical signal;
- 5) The 50-Week Moving Average (red) peaked last September (’00) and turned down;
- 6) The 50-Week MA is now threatening to break below the 200-Week MA (blue); (it did)
- 7) The MACD Oscillator (bottom of chart) peaked in the first third of 1999 and has not recovered;
- 8) The MACD is now turning back down UNDER the ZERO Line, a Very Bad sign;
- 9) The PRICE has NOT been able to rise above the 50-Week MA;
- 10) The PRICE has NOT been able to rise above ANY PREVIOUS HIGH!”

Now the question is: “How many of these factors have changed?”

Answer: At this Time = NONE! There has been NO THREAT to the downtrend indicated on the WEEKLY charts!

One positive (not shown) is that the October-January rally carried above the 50-Day MA and up against the 200-Day MA, before all Major Indices broke back down below in mid-January.

The price level has NOT penetrated even the least of the Fibonacci Retracement ratios (38.2% of the total decline)!

Therefore, we should prefer to remain with direction as indicated by actual Price Action on the longer term charts, than become confused by short term whipsaws against the major trend.

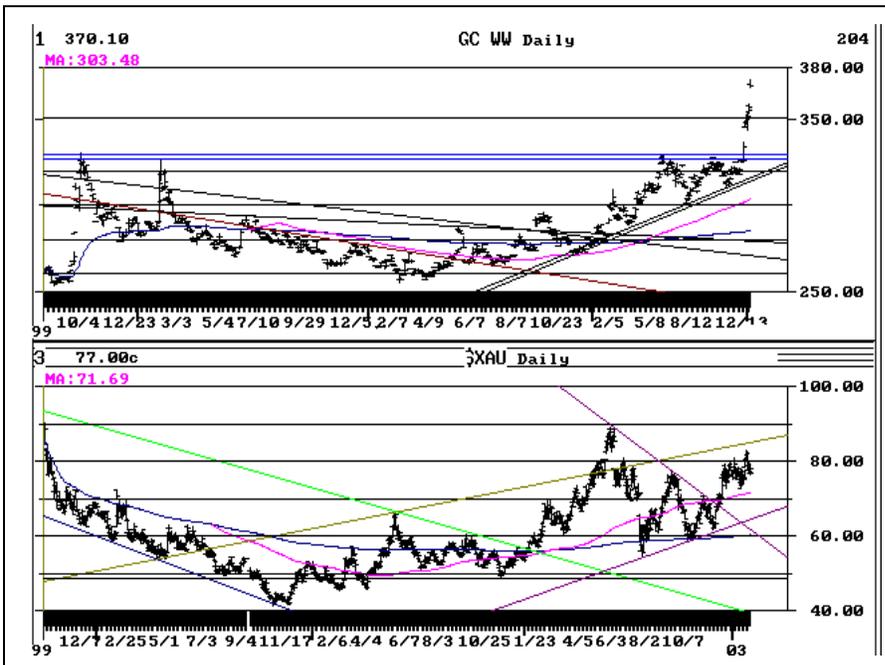
Arch Crawford will be speaking at the Wealth Protection 2003 Conference in Tempe, AZ on March 28<sup>th</sup> and 29<sup>th</sup>.  
 For more information call Resource Consultants 1-800-494-4149 or 480-820-5877.  
 Arch Crawford will also be speaking at the 13<sup>th</sup> World Conference of Astro-Economics April 5<sup>th</sup> and 6<sup>th</sup> in Scottsdale, AZ. You may call us at 520-577-1158 for a brochure or more information.

The **GOLD, OIL and CRB Index** have all been making multi-year highs recently, as we have been saying since early April of 2001! These trends may culminate temporarily at the major configurations of Feb. 15-18, but we expect longer term highs around the first week of June! Traders may actually go Short at these turn dates, with careful stops, but we will hold our long term positions until June. From there, the inflationary forces may experience some abatement for a number of months.

**GOLD Stocks** have been underperforming the metal of late, but remain among the best acting groups over time. They were Tops in both 2001 and 2002 among all types of stock groupings.

“The strength of commodity prices and the resulting boost to Basic Resources sectors (which have had the highest average sector rank in our Global Sector Ranking) are part of the reason why the resource-based Australian market has been stronger than the Hong Kong market...” Ned Davis’ *INVESTMENT RESEARCH*

We have continued to recommend Australia, New Zealand, Canada, and to a lesser extent Russia and South Africa (greater political risk) for the last 2 years, their stocks, bonds and currencies! The Major shift to Resources is ongoing and will probably last for years, with reactions from time to time. This also goes along with **USD** weakness, and that \$US contract has recently broken below 100.00 for the first time in years. Accelerating current accounts imbalance in an increasingly hostile world will eventually lead to a 1987-style breakdown which will force Interest Rates much higher down the road!



### ASTRONOMIC ACTIVITY

- FEB 1 = New Moon conjoins Neptune, opposes Jupiter = We believe these heavy influences will continue the push Oil/Gold. The space shuttle Columbia came apart on re-entry this morning under this stressful combination!
- FEB 2 = Sun opposes Jupiter. Hey, didn't that happen the weekend before the 1987 CRASH? Yes, but it happens every year
- FEB 3-6 = Saturn most active contacts, responsible, not usually Fun. Mildly depressive except Mars/Jupiter on the 5<sup>th</sup>.
- FEB 14 = For a speculative play, Short stocks and US\$D for this long weekend and Buy Gold, Oil & CRB Index.
- FEB 16-17 = VERY BIG STUFF IN THE SKY Jupiter opposes Neptune, Mars conjunct Pluto, Full Moon opp. Uranus! *DELL Horoscope* says: “Expect rebellious, eccentric behavior, surprising news, breakthroughs, unanticipated shake-ups.”
- FEB 18 = Our markets open after Presidents Day on Monday. Moon squares Pluto, Mars & Saturn! NOT an easy day!
- FEB 20 = Mercury opp Jupiter, Mars opp Saturn. *Dell*: “Action taken...meets up with opposition, setbacks, unlucky timing.”
- FEB 22 = Saturn Station early A.M. leaves us all feeling a bit depressed!
- MAR 2 = New Moon at 12 Pisces squares the December Solar Eclipse! as Venus enters Aquarius. Negative for markets!
- MAR 4 = Mars enters Capricorn = It's only crossing of a Cardinal point this year! More Warlike action on several fronts.
- MAR 10 = Uranus enters Pisces for a 7-year stay. Major shifts in many fields of endeavor, esp. prisons, hospitals. Psychic!

**ATTENTION: The letters are usually mailed 1<sup>st</sup> Monday. Next month, that will be Monday, March 3!**  
 Our twice-daily HOTLINE update is available at 10AM & 2PM EST for \$4.30 total per 2-3 minute call at  
**1-900-73-SOLAR or 1-900-7347-6527.**

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