

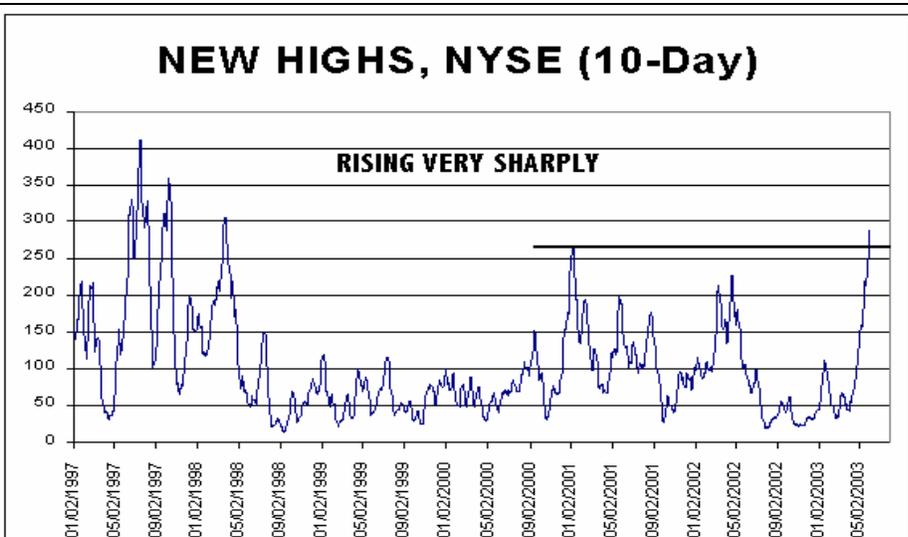
NEW BULL MARKET? WE DON'T THINK SO BUT...

As long as our markets are producing days with triple-digit new highs and single-digit new lows, we will stay with the friendly trend! That could be one definition of a bull market. All our analyst friends who study volume characteristics remain very positive. Granville's On-Balance-Volume, Lowry's Buying/Selling Pressure, and Howard Winell's work all suggest further continuation, with or without minor corrective retracements.

The McClellan Oscillator, based on breadth, made recent history over +5000, confirming more upside, even if we correct first. 200-day moving averages on the major indices have been surmounted and left behind.

Those are the basics: price, breadth (see also NYSE new highs – this page) and volume. Marty Zweig (and others) were always saying "Don't fight the TAPE" and "Don't fight the FED." Interest rates at 45-year lows gives a hint of the FED's position, as does recent money supply growth... and the TAPE looks GREAT!

We agree with Paul Macrae



Montgomery that, with 8 days up in a row, (Value Line and Russell 2000), into a solar eclipse (May 31st) that a minor corrective wave should begin immediately! That may only be a very few days in this current environment. **We remain 200% LONG Using Full Margin**, at least until the BRADLEY Model tops out June 23. At that point **we will SELL ½ Positions, removing the margined portion.**

Otherwise, the Jupiter trine (120 deg) to Pluto on July 1, and some other minor positives on the 7-8 & 13th, may carry markets somewhat higher. In addition, June 29 brings 4 bodies within 7 degrees of arc. That's another powerful indication for caution thence forward. Expect to SELL the remainder and actually SHORT during July, if market technicals slip enough to give credence to BRADLEY, which drops steadily through the normal seasonal quicksand months.

So DO NOT fall in love with this rally at the TOP! It may look much stronger/better after it advances another leg up. There will be a much greater emotional appeal as momentum accelerates near culmination. GOOD NEWS will be more evident then. Our prediction: IT'LL BE A SUCKER'S PLAY...But NOT YET!

There are plenty of problems in this melee, technical and fundamental. NASDAQ volume is getting a bit frothy relative to NYSE volume. VIX (CBOE Option Volatility Index) is near dangerous levels. company insiders are SELLING like crazy. Funds CASH is non-existent. But, the worst long term conditions are purely balance-sheet related – plain,

common-sense, VALUE shown in accounting sheets!

Price/Earnings, Price/Book Value, Price/Dividend (Yield) are, for the major indices, at levels greater than those associated with historical market TOPS – NOT BOTTOMS! Even after three years of grinding deterioration in a vast majority of stock prices. Bubbles Bursting in air! Our currency is seriously tanking. REAL ESTATE is next in our estimation, as Saturn (contraction) enters the sign of Cancer (home) for a two-year stay beginning June 3!

Jimmy Rogers said on CNBC last week that no country ever did well by devaluing its currency. George Soros admitted that he is short the U. S Dollar on the public advice of the Treasury Secretary. Expect a short-term rally to get under way now, as the G8 meets so near the solar eclipse! Yet, the long-term picture is not so sanguine.

Looking at what governments are doing...NOT listening to what they are saying, seems to indicate that we are AT War with EUROPE!!...at least Economic WAR! That is not exactly a new concept, but it is taking on an accelerating and dangerous quality not seen previously. The rest of the world is sinking into Recession/Depression much faster and more determinedly than the U. S. only because the world has moved money here, supplying our enormous DEBT Habit. They are going to need or want their money back, soon.

Rent the old movie "Rollover"!

VITAL SIGNS

IN MARCH, OUR POSITIONS REVERSED into 100% LONG WITHOUT USING MARGIN ON A CLOSE ABOVE 890 vs. S&P500 AND 8100 BASIS DJIA.

WE PLACED STOPS AT 780 vs. S&P500 or 7800 vs. DJIA.

INCREASED TO 200% LONG (USING FULL MARGIN) ON MAY 16, WITH A 3% CLOSE ONLY STOP-LOSS ORDER ON ALL NEW POSITIONS.

SELL ½ OF POSITIONS ON JUNE 23, REMOVING MARGINED PORTION.



THE BULLISH CASE REMAINS VIABLE, SMALL RETRACEMENT LIKELY!

Major Indices Leaving 200-Day Moving Averages Behind; 50's Crossing Above 200's

Charts pictured above show (\$SPX) S&P500 Cash Index, (\$INDU) Dow Jones Industrial Average, (\$NDX) NASDAQ 100 (not COMPOSITE), and (\$COMP) NYSE Composite Index.

ALL have broken above their 50-Day MA's (red) and their 200-Day MA's (blue), and continued driving ahead, even where a minor corrective phase would have been considered "Normal." With the current 8 days in a row advance by the Value Line and Russell 2000 "minor" indices, right into the Solar Eclipse cycle date, a normal corrective phase may be more assured to occur in the present frame. (lines colored ONLY in the Online version)

Three of the four charts also show the 50-Day MA's crossing above the 200-Day MA's. Though a very good intermediate signal, this can often precipitate a short-term corrective phase as the "smart money" tries to shake off the enthusiasm engendered by the positive technical analysts!

MACD studies, at bottom of individual charts, are attempting to turn back up with last weeks momentum push. Starting from such a high level, an upturn may not be as efficacious, and small declines from this perilous peak could quickly turn short-term negative by this and other momentum-type measures (RSI, ROC, Stochastic etc.)

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.

Although the BRADLEY astro-Model (not shown) indicates a higher Low for November (than March), the March low came at a *Seasonally* Strong time, while the Fall low will occur at the *Seasonally* Weak period, which, in our opinion, could foster a more dangerous break of those previous benchmarks.

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. We have them here!



GOLD HAS BEEN A WONDERFUL PLAY FOR US AND OUR SUBSCRIBERS!

The weekly chart of **GOLD** (above) appears to be forming a large, multi-year head-and-shoulders bottom pattern. We gave the long term **BUY** on the Jupiter trine to Neptune, historically, a low in inflation hedges. Since that time, **GOLD Stocks** have been the strongest group for all of 2001 and all of 2002! Now, we are getting **OUT** on the final opposition of Jupiter to Neptune, normally a **TOP!** There is one more indication of a possible higher high, and that is on the Jupiter contra-parallel to Neptune late on June 17, which acts similar to an opposition.

We believe that the long-term pattern will be a positive influence on metals for several more years. However, our cycle indications call for a corrective phase from this time frame (June 1 or June 18), **AT LEAST** into a seasonal low in August-September. We expect this decline to be worse than the recent Feb-March downtrend, which made many expectant **Gold Bugs** unhappy. We do **NOT** wish to hold during another, perhaps more serious negative period.

There is some amount of **GOLD** some of you will want to hold through anything, since its purpose is as insurance against the “unexpected.” Some wise older person has said: “Always have enough **GOLD** to bribe the border guards.” Otherwise, we urge even long termers to “lighten up” and for traders to actually go **SHORT** on the precious metals, and perhaps other inflation hedges, as well. **SHORT 1/3 of your position on June 2-3 and 2/3 on June 17-18.**

The price change from our date of April 5, 2001, around \$255/oz. to current levels in the \$360’s constitutes a gain of +41% if you bought the bullion, outright! The profit is astronomical on the futures contracts.

We shall re-institute our long positions if and when a decent corrective phase appears to be completing, and technical and astronomic considerations improve. A 50% retracement of the rally from 255 to 391 = \$323, and a full 61.8% retrace would carry down to \$306. Either of those, if actualized, would prove quite profitable – “You remember profit, don’t you?”

**THIS US DOLLAR INDEX CHART
SHOWS A MASSIVE TOP
FORMATION!**

“...the USD remains under pressure and a break of the lows at 98 could precipitate a Rout! We predict Major Hits to the US\$ in mid-April, the New Moon of March 1 and the Lunar Eclipse of May 15-16.” AND HOW!!

That’s how technical analysis is supposed to work! The 50-Week Moving Average has crossed below the 200-Week MA. The 200-Week MA had turned Down. Then support levels and trendlines were breached. Price returned to ‘kiss’ the bottom of the broken trendline, then, fell away in classic fashion.

Now it has suffered 7 weeks of decline into the Eclipse series. The Solar Eclipse often has the Power to Turn such trends in currencies and Bonds/Rates in particular. These trends will turn either

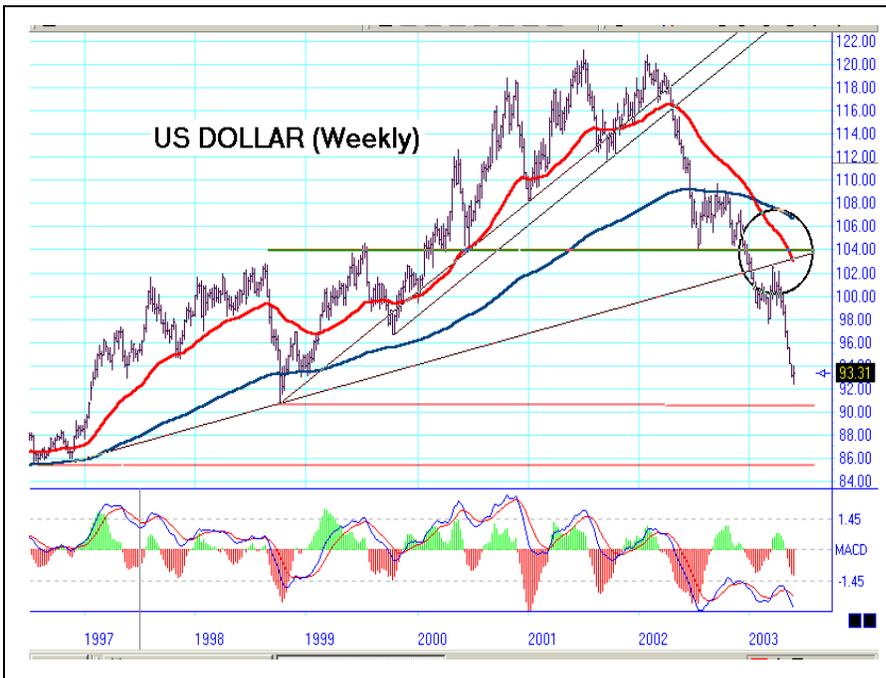
ON this Eclipse (NOW), or, on the New Moon AFTER this eclipse, June 27-30 weekend. The fact that the G8 meets today enhances the probability of changes in the next day or two.

From this chart, a fair projection would be for the \$ to reach support 90-92, then bounce to 100-103 before continuing much lower over the long term.

“Then, on the potential early June Inflation Max, we will SHORT GOLD, OIL & CRB Index for 2-3 months!”

“The T-BONDS are breaking Up from an ‘Ascending Triangle’ pattern, implication of continued improvement. Now 113:13. OK unless it breaks back down to 111:00.” Another AMAZING trade indicated by simple methods!

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,



ASTRONOMIC ACTIVITY

- MAY 30 = Solar Eclipse has Pluto dominating the entire East Coast = Possible imposition of Martial Law or price controls
- JUN 1-2 = Final occurrence of Jupiter opposition to Neptune = End of Hyper-Inflation for now. TOPS OIL Gold & CRB.
- JUN 3 = Saturn enters Cancer = Taxes, other limitations put on homeowners = Housing market collapses next 2 years!
- JUN 6 = Uranus Retrograde Station = Further Hacker/Internet attacks, May be TOP in OIL in particular. Surprises!
- JUN 9 = Sun opposes Pluto = More governmental controls on populations. East/West? Both? Freedoms lost.
- JUN 14 = Mercury square Uranus (don't buy a computer under this), Full Moon squares Markab on MC for Washington!
“Danger from fire or explosions” with this Fixed Star according to Ebertin. - Mars also squares Moon's Node.
- JUN 20 = Mercury conjoins Venus, both trine Uranus = UP for stocks, Down for Gold/Oil/CRB.
- JUN 23-24 = Huge amount of planetary energy, more good than bad, but both. BRADLEY Model TOP!
- JUN 29 = New Moon at 7 Cancer, 4 bodies within 7 degrees, 5 within 14 deg. = More indications of market TOP!
- JUL 1 = Jupiter trines Pluto = Joint monies, large projects, Institutional Investors, Derivative Deals make some rich!
- JUL 4 = Friday – U. S. Markets closed. JUL 6 = GW Bush's birthday.
- JUL 7-8 = In Rt. Asc., the Venus/Saturn conjunction trines Uranus, while the 8th has them negative to Jupiter regular way.
- JUL 8 = Venus conjunct (0 deg), and Jupiter semi-square (45 deg) to Saturn. = A negative for business or social news.
- JUL 11 = Venus trines Mars = PARTY ON!! Perhaps a last fling, or rally attempt, more likely to fail after FM on 13th.

ATTENTION: The letters are usually mailed 1st Monday. Next month's publishing date is June 23, the Bradley TOP!

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