

LONG TERM TOP IN FORMATIVE STAGE?!

The chart of the S&P500 (SPX at right) shows the pattern of weekly closing prices over the last four years. The formation is characterized as a 'Broadening Top' pattern in books on Technical Market Analysis and normally denotes a major change in direction from positive to negative. Although this figure is fairly mature, it may take some time to complete.

There are no certainties in this business, but probabilities urge a greater than normal caution from the increasing 'wildness' of these price swings. A bearish trend could begin immediately (somewhat lesser probability) or take more weeks or months to develop. We expect any decline could become more dangerous come November but worse case scenarios are likely to develop over the next year or two. January 2020 appears particularly impressive of negativity.

The order of happenings is that (1) Major Indices must break back below their 50-Day and 200-Day Moving Averages; (2) Major Indices must then break below their February 2018 lows; (3) Major Indices must break below their December 2018 lows. If these do not take place or if only one or two of them take place, the Major Decline will, at least temporarily, be on HOLD!

The Normal Seasonal pattern suggests a High in late April or early May. The quarterly picture tends to peak around the 18-19 calendar days of quarters. These will add further to probabilities for at least a temporary topping out, if not more. The primary technically positive tool is the number of New Highs on the NYSE continues well above the number of New Lows (123 vs. 33 on the 10-Day averages). It may be that the SPX could make one more 'higher high' before this whole thing settles out, probably during the summer months.



We are in a conditional situation where we may not have much more upside and probably not much downside either. That is likely to mean that the good Stock Pickers among Wall Street analysts may once more have a salable advantage for a while. That is typical of Long Rolling Top formations where the Bulls can make money and the Bears can make money.

With the development and sales of a multitude of ETF's, Exchange Traded Funds, one only has to pick Industry Groups and that may be easier than identifying individual stock picks. If you are good at that, hey, it's a new specialty.

We noticed that the April Full Moon in Libra coincides with the date when long term data cycles show that calendar quarters tend to have a stock market price high, that is, the 19th! In this period from there to month end, this combination of the two cycles could drop our markets more than in a typical month. Keep an eye out!

The New and Full Moons are continuing to occur at the very sensitive degrees of zero and 15 degrees of zodiacal signs. This has kept happenings around the world in far greater turmoil than is the usual case.

Critical dates this month are April 1-2, 8-9, 12-13 & 24. The March dates we mentioned here were 9th, a Saturday but the entire week of 5 days, ALL were negative! The 14th DJIA was +7.05 but the SPX was -2.44. The 20-21 were -141, +216 and the next day, March 22 was the worst day of the month -460.19.

Calculating our gains and losses (both minor) from last month's positions, we noticed that **using the Open instead of close on entry and exit days would have produced +473 DJIA point gain! The S&P would have lost -1.41. Point being that dates chosen were A-OK, but the times were not!**

"NEW Positions for this month, SHORT again TODAY 100% without using margin, place a 3% close-only Stoploss and (if not stopped out), cover on the NYSE Open Tuesday, April 30."

HAPPY Good Friday (NYSE Closed), Passover & Easter 19-21

VITAL SIGNS

**DJIA & SPX=SHORT again TODAY 100%
Place a 3% STOP above your Short Price
If NOT Stopped, Cover on Open April 30.**

**Shorted DJIA Close 25,819.65
3% Stop at 26,594.24 Closed Mar 26
At 25,657.73 +161.92 or +0.63%**

**SHORTED SPX MAR 4 Close 2792.81
STOP +3.0% = 2876.59 - Not hit.
Closed Mar 26 at 2818.46 -25.65 or -0.92%**

ALL OUR STOPS ARE CLOSE ONLY



LOOK for MOST of APRIL to be DOWN! But HIGHER during the SUMMER!

This has been a surprisingly good run for a considerable period. The main problem immediately is that momentum is dying on the vine! Every measure of strength of movement has begun to lag. We are looking for April to deliver a corrective move larger than we have seen yet, but certainly not disastrous, except for short periods. There may be a couple of those extreme for short term but not otherwise meaningful. We think it should be traded, at least by short-termers and at least partially hedged by the more bullish elements.

The St. Louis FED reports that the ADJUSTED MONETARY BASE has actually broken the lows from the first quarter of 2017. Dennis Gartman comments: "Back to the Lows Once Again: After several months of rising AMB, it plunged in the latest reporting two-week period. The 'Fuel' for the economy AND for the stock market is once again being restricted and attention must and/or should be paid!"

"Nothing is screaming recession yet, but the BOND market was at least whispering it for much of the week, as the three-month Treasury yield traded above the 10-year yield, a so-called inversion. When the economy is healthy, the 10-year normally yields more because investors don't want their money tied up in a long-duration security when there are other, more promising investments." – Ari Salzman in today's BARRONS

"A major source of objection to a free economy is precisely that it ... gives people what they want instead of what a particular group thinks they ought to want. Underlying most arguments against the free market is a lack of belief in freedom itself." Milton Friedman



Bitcoin has continued with rising bottoms, although it has yet to exceed earlier highs, which has caused a narrowing of volatility. It continues to improve but disappoints in that critical imperative. We want to see some previous highs more aggressively taken out! This entire lower congestion period will be left behind on any rise above \$4400 but it will take \$7600 to beat the six-month high from mid-October. We want to see some "Dynamism" before we recommend anyone to put their money here. All the way down from the highs, there was never a single advance which bettered a previous advance. That has been terribly pitiful technical action.

We would like to see this crypto-currency and others prove their staying power after such a damaging decline. As a technical market analyst, we want to see some proof through action!



U.S. DOLLAR INDEX (DX-weekly)



TEN YEAR RATE (TNX-daily)

The DOLLAR INDEX has been Inching Higher while the 10-YEAR RATE has been in COLLAPSE MODE - Again!!

The Dollar continues to hold a positive trend, although less steep than before. It is forming a Right Shoulder at the same relative height as the Left, parallel to a mildly declining 'Neckline.' The entire formation is staying above the rising 200-Day Moving Average – strongly positive to date. If the current progress represents a “Right Shoulder,” a much more serious decline could still be forming, but recent strength argues against that for the moment. The weekly chart shown here once more, appears to support long term danger of weakness, certainly not obvious in the current time frame. The weekly MACD indicator remains on a SELL from mid-2018, and now appears ready to break that MACD Zero line. A possible long term TOP pattern continues to form in classic format!

General rates and **TNX in particular** peaked in Early October and, after one last retest of the highs, which failed, proceeded to more or less collapse from 3.248% down to 2.55% in a rapid two month decimation. All the action of the last one and one-half months has taken place under the powerful 2.80% support line, now resistance. One last pop up above the declining 50-Day MA (red) failed miserably and morphed into an additional Collapse Wave. This Wave is international in scope. Next support is at 2.30% in US.



OIL has continued higher and is now in the area of encounter with its own 200-Day Moving Average as well as its 50% Retracement line of its drop from the mid-70's, both formidable obstacles to further ease of movement. It is likely to be forced into consolidation at these levels and perhaps a more comprehensive new decline to correct and stabilize the move up from 26. It would not be unusual or surprising to see a corrective decline carry to 43 or thereabouts. That might put a crimp in the plans of Russia and Saudi Arabia, temporarily as a for instance. America's development and utilization of the fracking process has moved the U.S. to the top of the heap in oil production, and as a side effect, lowered our CO2 production more than ANY Other country! Of course, if governments would allow the use of Free-Energy machines which they have suppressed, that would change All!

“The International Monetary Fund (IMF) does not have sufficient lending capacity to respond, if a major new emerging market crisis affecting several countries suddenly erupted, according to Agustin Carstens, the head of the Bank for International Settlements, on 3/28/2019. The Eurozone "is not resilient enough" to emerge unscathed from "unexpected economic storms," according to the head of the IMF, Christine Lagarde, on 3/28/2019. Previously, Ms. Lagarde has warned that the world is faced with "massive" challenges. Low productivity, ageing populations, and the effects of the global financial crisis dampen prospects for future economic growth. The financial sectors in many countries are weak. When the authorities, who almost always express optimism in order to bolster public confidence, admit to this much concern, it should be taken for what it obviously is, a clear warning.”

- Quoted from: Colby Global Markets Report

Here, for a change, is the much longer term (monthly) chart of **GOLD**, covering the run up to its highest point, 1923.7 on September 9, 2011 and the subsequent correction and consolidation.

This chart shows the recent progression of higher lows from the late 2015 bottom, but not yet any higher highs!

We believe that the rising 200-Month moving average (solid blue line), now a touch above 1000, will have the effect of pressuring **GOLD** up through its long term resistance between 1350 and 1400 at some point, as yet unknown, which could take 2-3 more years or it could happen tomorrow!

The preferred seasonality for buying gold is the Summer months of May, June & July, and the best two-month price movement tends to be August-September.

The best astrologic periods tend to include 'difficult' aspects to Neptune (inflation, confusion), especially with Sun, Mars or Uranus. The early degrees of Leo also seem particularly sensitive to the price action of precious metals.

CRB INDEX of general commodity prices made their high in late May (about 208) and a recent secondary peak in early October (201), after which they have been down from a bit above 200 to under 170. Last month we wrote: "If it follows an earlier pattern, it will decline for one more quarter, ending below 170." It stabilized in the 170 area and has now ticked back up to 180. It seems now that the General prices are moving higher but stalling out around 184-186 area, losing some momentum that has turned it more questionable. Headline in Investor's Business Daily says: **LUMBER** has been drifting off along with New-house sales, and **COPPER** was pulling back but moved higher at weeks end. The **OIL Complex** has been the strongest. **HOGS** are up sharply as China is forced to destroy a large portion due to Swine Flu.



ASTRONOMIC ACTIVITY – (Give all these a time period of +/-3 Days)

- MAR 28 = Mercury Station Direct semi-square Uranus, Venus contra-parallel Uranus = More turning points, Hi or Lo.
- MAR 29-31 = Mercury semi-square Uranus (F), Venus semi-square Saturn (Sat), Mars enters Gemini (Sun)
- APR 1 = Much worse than we thought last month! Events on Sunday will reverberate today! Watch especially around 11:30am ET!
- APR 2 = Mars, Mercury & Venus aspecting Uranus, Neptune & Pluto = What happens today (+/-3 weeks) will affect a generation!
- APR 5 = 4ish A.M. EST =New Moon at 15 deg of Aries. For months the NM's & FM's are at critical degrees (zero & 15)
- APR 8-9 = And very early 10th Sun opposes large asteroid Pallas, both square to Saturn, forming a T-square = Dangerous!
- Multiple aspects (high activity) on 7th and 14th (Sundays) and Wed Apr 10. Always interesting – Stay on your toes.
- APR 10 = Many aspects, high energy but most important today is Jupiter turning to Retrograde motion at 24 Sagittarius!
- APR 12 = Friday Mars 135deg to Pluto – Could be explosive. Moon hits it around the NYSE close. Likely a downer.
- APR 13 = Sun joins asteroid Eris square to Pluto with Mars semi-square (45) the two and 135 to Pluto on Saturday = Irritable!
- APR 15 = Tax Day on Monday – How depressing? Venus square Jupiter = May have to pay more than expected!
- From Monday 15 to Monday 22, there are no longitudinal planet to planet aspects stronger than a semi-sextile. Quiet but tense?!
- APR 19 = Full Moon 7:12amEDT on Good Friday. U.S. and several others not trading today. Bet the other foreigners are active!
- APR 22 = Sun conjunct Uranus = Revolution, desire for Freedom! Those holding powerful tensions will act on them. Sharp moves.
- APR 24 = Pluto station Retrograde = Devastating truths are revealed. Listen carefully to your own subconscious.
- MAY 4 = New Moon 7:45 pm EDT at 14 Taurus on Saturday followed by Mars opposite Jupiter on Sunday, Fairly calm weekend.
- MAY 9 = Venus trine Jupiter but square Pluto with Jup/Plu forming the minor 30 deg aspect. = Emotional roller-coaster!
- MAY 18 = Scorpio Full Moon = "Emotional and psychic energies surging high" Markets may make sharp moves Friday or Monday.

ATTENTION: The CP newsletters are most often emailed on 1st Mondays of months. Next CP will be available Monday, May 5.

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