

CRAWFORD *Perspectives*

ANOTHER MAJOR CRASH?! BUT NOT RIGHT AWAY

January 11, 2010 Vol. 10/01

The year ahead appears to us to contain the most powerful planetary alignments in centuries, not just decades. These are likely to change the world as we know it in ways that we can see only through a glass, darkly.

It is our fervent desire and hope that the extreme energies released upon the Earth this year will lead to an evolutionary leap in human consciousness. The concern is that they are rattling the fabric of our familiar universe, unraveling the 'strings' that have held together the internal, external & geopolitical appearance of our daily lives.

Our Mormon brothers and sisters are required to keep 2 years worth of food and water in their homes. Adopting such practices may save some of us from the developing exigencies?!

Although we are not expecting deep retracements until after the Bradley Astronomic Model turns down during March, and perhaps until other cycles peak during May, the near term is losing some of its multi-month forward motion, & there may be a larger dip ahead now.

Our prediction of higher highs in March are consonant with the recent historical perspective, and are confirmed by higher positive planetary combinations. If, after the March Equinox, market indices begin to erode, breaking trendlines, moving averages & various support levels, we will "Hit the Bid"!!



We have a dichotomy of 'timing' staring us in the face this year. It would be considered a 'done deal' or a high probability that World Markets will Crash again during 2010. The point of greatest exactitude of the general 'meanness' will show itself in late July and early August. During that period Mars will conjoin Saturn, both opposing Jupiter conjoining Uranus (you can joke all you want, but THIS is no laughing matter). Pluto will form a square angle to all four, making a T-Square pattern of extreme animosity.

The dichotomy arises from the Bradley Model showing the Crash period as down from March and culminating with this configuration. On the other hand, our Mars/Uranus Crash Cycle portion of their synodic period, which has contained Every Crash for the last 100 years, bodes the Crash period AFTER the completion of the massive alignment.

We will do everything but guarantee you that stocks will crash worldwide within three months of August first (that is between May 1 and November 1). It is expected that technical market analysis of data generated by current market action will assist in pinpointing most danger/opportunity as critical moments approach. The fate of the world is in the balance!

VITAL SIGNS

BOUGHT LONG on Close Tue. Nov. 17

S&P 3.5% Stop @ 1071.46

DJIA 3.5% Stop @ 10072.11

SHORT 100% on 2 Closes below 1060 or 10,000

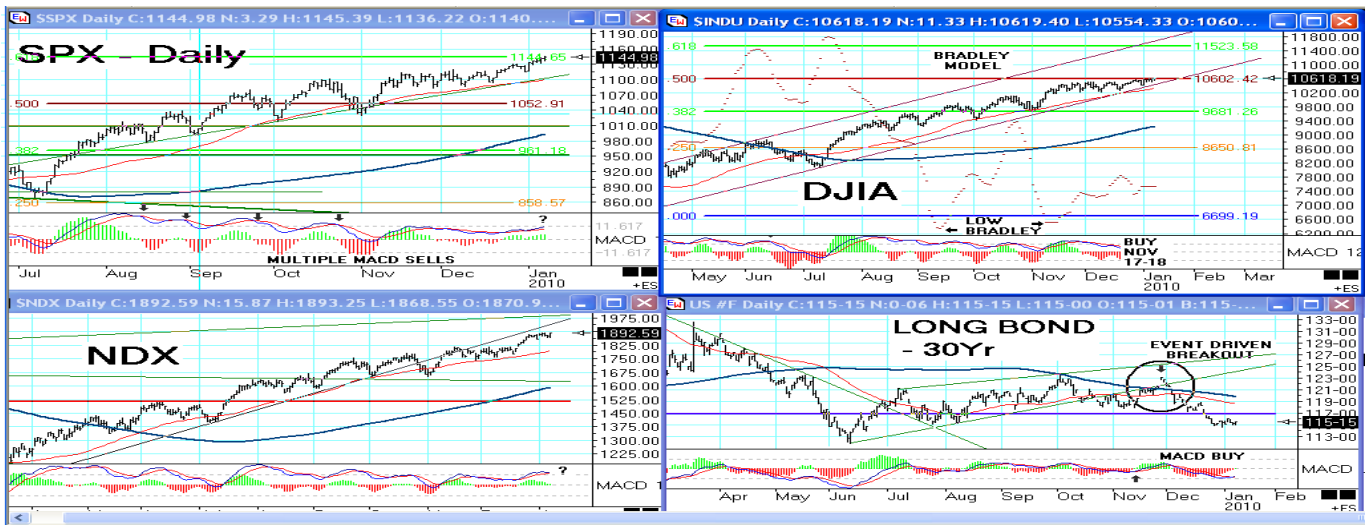
Place 4% Stoploss on the new Shorts if hit

ALL OUR STOPS ARE CLOSE ONLY!!

Only one caveat: There was a Grand Cross Solar Eclipse August 10-11 of 1999. Although a Turkish city directly below its path was totally destroyed a week later, with 45,000 killed, it did not obviously affect markets right away. However, as that alignment dissipated, the market drop of 2000-2002 got started in earnest, and it was a bad one. When Saturn hit the angle of the Eclipse, the NASDAQ had its worst down day in years.

One early danger sign is the chart (above) of the VIX or CBOE Option Volatility Index. Notice that it is edging back down to lows of the last two years. That means that sentiment is gaining in confidence and money managers are not bothering to protect themselves against traumatic downside by buying put options. It is a 'contrary' indication. Similarly, Cash in Rydex Money Market accounts (not shown) are also at new lows for 20-24 months.

"25 And there shall be signs in the sun, and in the moon, and in the stars; and upon the earth distress of nations, with perplexity; the sea and the waves roaring; 26 Men's hearts failing them for fear, and for looking after those things which are coming on the earth: for the powers of heaven shall be shaken." Luke 21:25-26



MARKET CONTINUES TO MOVE AHEAD!

The major market indices continue “Bulling” ahead, although how... and why... remain something of a mystery. They look at times as though they are about to poop-out, they begin a decline... which is then cut short and back up they go! The number of 52-Week New Lows on the NYSE are MINIMAL, especially for this phase of market movement. It is unlikely that an average of 3 out of a total of over 3000 stocks traded daily would be making New 52-Week Lows, especially over these times that momentum lags for a few days.

We are of a very negative opinion about such things. The “Working Group on Markets” was formed by President Reagan the week following the 1987 Crash, a day when the Very Unlikely percentage decline registered a 7-Sigma Earthquake-type event. At that time, the strategy of Selling S&P500 Futures periodically was supposed to protect funds and institutions up to a 5-Sigma event and a “Seven” was supposed to happen in about a million years or so! Reagan told his assembled “Group”: “Don’t let THAT happen again.”

Well, it didn’t... for a very long time. But it was apparently necessary for the “Group” commonly called “The Plunge Protection Team” to become more and more intrusive over the years. The average daily range seemed more and more restricted and diverted from historical norms. One helpful device was changing the minimum trading change from 1/8 of a point = 12.5% of \$1.00 to One Cent or 1% of \$1.00. It therefore became possible to make a stock... or many stocks Advance or Decline on a given day, or to continue making New Highs (once a new high is achieved). This rule made the manipulation of essential technical tools an easy matter for a consortium of broker-dealers, or hedge funds, or our government.

Then someone had the great idea to remove the “Uptick rule” required to activate a SHORT Sale. The rule was originally made after the 1929 Crash to keep “Pool Operators” from making “BEAR Raids” on stocks, that is, knocking them down with repeated selling of shares not owned by the sellers. When the stock dropped sharply and fearful holders dumped their stocks, the “operators” would then ‘cover’ their SHORT sales at the lower prices they themselves had been able to manipulate. The ‘uptick rule’ established in 1938 was rescinded on July 6, 2007. From there, the VIX or Volatility Index (page 1 chart) never looked back to that level of about 14.67 and banks that had sold toxic assets to clients proceeded to make more money by Shorting those same assets, helping to drive the prices down.

It is our considered opinion that the Federal Reserve has been using off-balance-sheet transactions to finance the manipulation of our stock markets, and perhaps others. They have flat-out refused to reveal to Congress, to whom they are beholden for their existence, any details of those or even regular transactions of sizes never before contemplated. Otherwise, we have no hard proof of detailed meddling, but if the size of bonuses is an indication of who is making the biggest plays against the system, that finger is pointing to the handwriting on the wall!

A New York Times article last Friday points out that large negative market player, James S. Chanos is marking down China as a major Short Sale. He thinks it is a bubble. Jim Rogers, who moved to Singapore, thinks it is not. We agree with both, in that China will fall with the others later this year and maybe longer, but will eventually rise much stronger, as the West generally declines for the long term. The next few years will see major re-alignments.



GOLD CHART IS MAINTAINING ACCELERATION PHASE RECENT LOW ON DEC 22 IN OUR PROJECTED TIME FRAME

Higher GOLD is, in this instance, at least partially connected to the falling away of the US\$ Index from recent trendline resistance around 77.5-78.5, though not totally accounted for thereby, as GOLD has been putting in credible strength against a wide range of international currencies. We project that before this major economic dislocation is done, nations and currencies will fall and chaos reign, not limited to a few borderline cases from the emerging sectors. This chart is updated to around midnight EST and includes another 17-point advance tonight!

“Keep in mind that on December 20, 2009, Mars will turn retrograde, lasting into March 10, 2010. Oftentimes lows or highs form within ten trading days of each date, and those lows or highs can last for several months.’ For now we will treat this as a half-primary cycle trough. Whether it lasts for several weeks or even months depends on what happens in the next couple of weeks. Right now the 15-day slow stochastics are turning up from a bullish double looping formation below 20%. This is a very positive sign, once the stochastics rise above 25% and if K is widening its distance above D. That could support a very powerful rally to new highs by March 10, with a price target as high as 1274.70 +/- 30.00. It could soar even higher if another unexpected event occurs, like a bank or nation default. However, Mercury is now retrograde through January 15, and that can coincide with false buy and sell signals by technical analysis. This rally must first close above the 25-day moving average [now at 1146] to even confirm December 22 was a half-primary cycle trough. Assuming it can do that, the next challenge is to exceed a corrective retracement of 38-62% of the move down. This would give an upside resistance range of 1151.40 +/- 18.00. Failure to do this would set Gold up for yet another decline – instead of a rally – into the primary cycle trough, which could manifest within ten trading days of Mars turning direct (March 10)... For now, all traders may also be long with a stop-loss under last week’s low of 1075. However, caution is warranted as prices approach the 1150 resistance area. If Gold struggles there, you may want to capture some profits/ If it can break well above there, then Gold is off and running again, perhaps into March 10, or perhaps even into the middle of the year.”
Raymond A. Merriman – M.M.A. Cycles Report (248-626-3034) www.mmacycles.com December 28, 2009

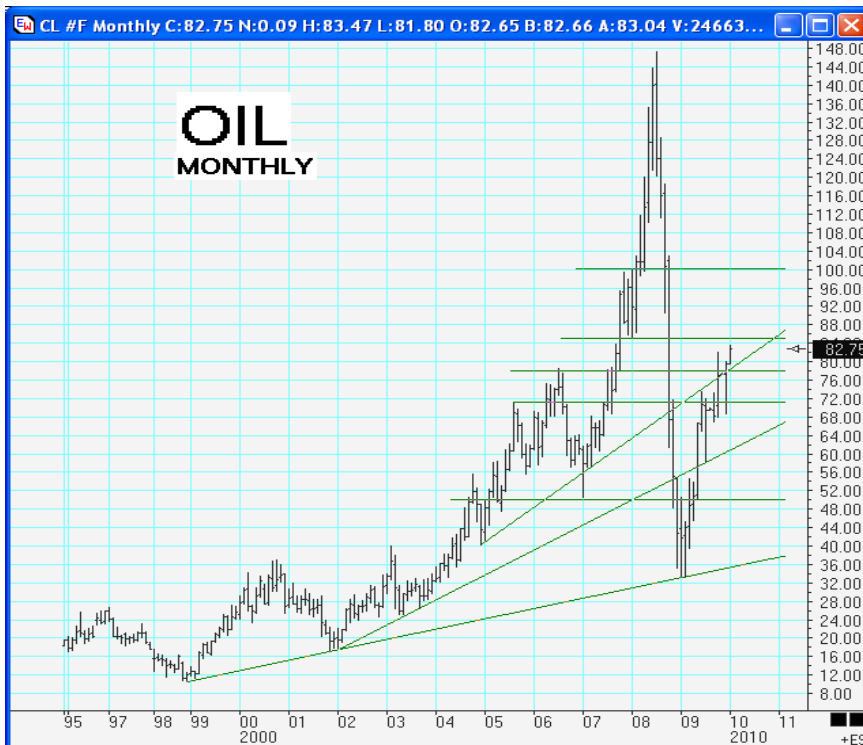
“Bottom Line: The stock market has been in a relentless modest uptrend since the end of November. The Composite is nearing its downtrend line and the McClellan A-D Summation is nearing levels where many reversals have occurred. There could be a rest pause next week before the push to finish this short term move up. There are still higher objectives to be achieved before the total move up is completed, but indicators are too high now for the next leg up. There is room for a little more upside before a larger consolidation takes over.”

Sherman McClellan & Associates (323-663-0938) slmclellan@earthlink.net January 10, 2010

OIL has continued to advance above the \$78 level; and seems intent upon the \$84-100 range outlined by the late 2007-early 2008 trading flag. We are concerned that the oil price may be diverging from its peg to the US Dollar as oil producing countries move towards other currencies, or multiple currency packages when they lose confidence in Dollar hegemony that has existed since the 1930's.

Several other commodities are assisting the **CRB Index** in its climb back towards earlier highs. The breakfast foods are doing quite well. – **Coffee, Sugar and Orange Juice** are rising rapidly. Frozen OJ is unfortunately still on the trees in Florida!

Copper has been one of the highlights in the field moving from below 270 to above 350 within then last six months. Backed off about a dozen points last 2-3 days. It is usually a good indicator of general economic health and housing in particular. We think the flight from fiat currencies is part of the general commodity boom.



Our mention in numerous CP letters over the last two years that the Iraqi DINAR was an excellent speculation has begun to seem more realistic as their new elections are coming again in days/weeks. News items have been running about Oil Leases to Chinese and American oil companies. With the re-establishment of significant income from their oil, their currency could launch a major comeback. When Saddam Hussein was still pumping, before sanctions, the Dinar ran as high as \$3.50 or better. It is recently quoted at about 1/1000th of a US\$! Recent change in business news from Iraq constitutes an extreme change towards the press coverage of the positive side of life there!

We reiterate our advice to hold only bonds and currency of nations with known assets in the ground, such as Australia, New Zealand and Canada. If you can stand more geopolitical risk, Russia and South Africa may do well as havens. Diversity among nations and currencies may give some level of protection not achievable in any single-nation investment.

ASTRONOMIC ACTIVITY

- DEC 15-22 = Look for an important LOW in Gold/Oil/CRB commodity indices to BUY NEW POSITIONS!! Mars retrogrades on 20th!
GOLD low was December 22! OIL was Dec. 13
- DEC 25 = Christmas Day! Violence could mar the Christian festivities. Be careful of crowded public places. Worldwide interest rate moves.
Attempted terrorist attack on US airplane headed from Amsterdam to Detroit.
- JAN 1-4 = More power struggles, maybe more violence. A Nation will go Bankrupt over the long weekend. May lead to a coup! Roil markets.
Dubai reported deepening troubles. Greece unmanageable debt levels make headlines. Several U.S. States reveal problems!
- JAN 13 = Saturn retrogrades but Venus & Sun aspects to Uranus bring exciting social changes. Maybe better or more stable markets.
- JAN 15 = Solar Eclipse very early A.M. and Mercury Direct Station at noon, and it's Option Expiration! Three indications of turns!
- JAN 17-18 = Jupiter and Venus change signs = More likely another positive pop upside, which could finish a top formation near term.
- FROM JAN 25 = Many minor negatives, markets drifting or lower.
- JAN 29-31 = There are some hair-raising negatives including a Full Moon conjoining Mars (God of WAR!) and Saturn square Pluto!
This combination could bring more negative economic stats, and real possibilities for more War and/or terrorism.
- FEB 5-6 = Jupiter activates the Saturn/Pluto square = We would bet on some more down markets than we've seen in awhile late Jan-into Feb.
- FEB 12-15 = Hotheaded struggles over Power. Neither Geopolitics nor local politics will see compromises at this time. Interest rate changes!

ATTENTION: The CP newsletters are usually mailed 1st Monday. February will be out February 1.