

CRAWFORD Perspectives

BEWARE the IDES of MARCH!

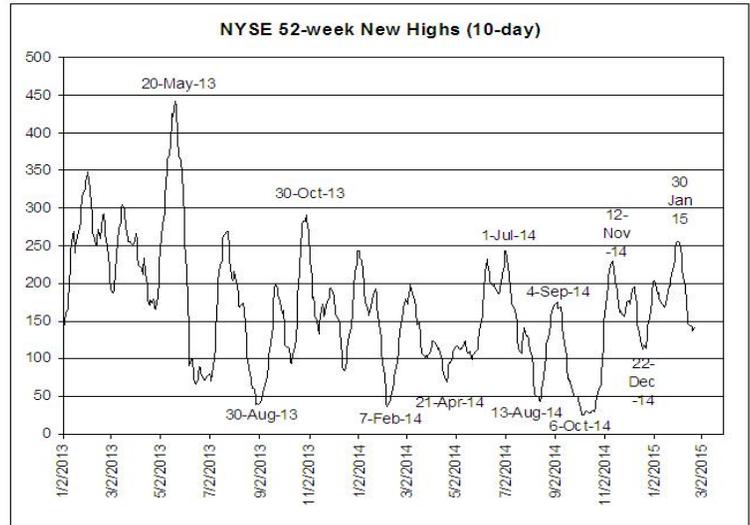
February 23, 2015 Vol. 15/3

Where have we heard THAT before? Oh, Yes, Julius Caesar wasn't it? Calpurnia's dream told him not to go. But as with JFK to Dallas, he intimated that death was preferable to a show of cowardice. [Adlai Stevenson was said to have warned JFK]. A total Solar Eclipse occurs 33 minutes of arc (half a day) prior to the Vernal Equinox (Zero Aries) on March 20. You have no idea how big a deal this is! When Uranus passed across this point March 11, 2011, an earthquake and tsunami devastated Japan...and continues to have more repercussions!

Reverberations activate this point as the Sun squares it on June 21 followed by Mars on June 24, while Sun opposes it on September 23 and Mars on November 12. Then the Sun forms the applying square on December 22 as Mars and Saturn form that square in 2016. Watch all these dates for special mention.

Meantime we have the final square of Uranus to Pluto in Ecliptic Longitude on March 16, that is, measured along the Sun's passage as viewed from the earth. However, most astrologers are unaware that three more of these pungent squares are coming up when measured against the Equatorial Longitude, as does the astronomical community. The next will be April 29, date of last years Lunar Eclipse, and therefore a point that is already sensitized energetically!

Although the Mars-Uranus Crash Cycle period expired in mid-January that does not mean that markets won't decline, only that whatever weakness develops will not likely match one of the worst 10 crashes of the previous century! We do expect some serious happenings in the world between March 11 and March 25 (see Astronomic Activity page 4). It is also possible that they may not affect stock markets.



DOES THIS CHART LOOK LIKE A BULLISH NEW HIGH?

The number of NYSE 52-week New Highs (10-Day Average) did make a slight new high above everything back to 30 October 2013, but that was on 30 January 2015, NOT on the recent price highs! They have receded since then. THAT high was on the day of the lowest interest rate on the 10-Year Bond! If they can stabilize here and exceed that January peak, the intermediate term could possibly gain new strength by recording another 'higher low' and 'higher high.' The overall long term picture from this chart is very weak.

The picture from last October does show some increasing internal strength – but not much! Only enough strength appears to keep the long term trend channel at a steady rise (see page 2 charts). There are so many problems with the internal technical data which we have repeatedly called to attention, but which remain. The price action advances are being accomplished with brute force buying of Index Futures, with little or no technical confirmation except price. Now Price happens to be the Most Important of the factors as it determines who the winners and losers are!

Sentiment figures have been overly bullish (usually at tops) for extended periods, as have low cash balances in funds and institutions. Another unusual thing is how often market tops coincide with Option Expiration – to the day or within 2-3 trading days. January 2014 was a Low. Two others have been two trading days after the low day – both were sharply higher for at least the 2 days into expiry. It seems an agenda that Put-buyers are being punished. We have heard that our government has been harassing banks to keep low cash balances in Trust accounts! Why is that?!

Friday closing S&P500 stopped out half of our positions in that Index at 2110.30 for a -5.4% Loss. Others are nearby.

A triple conjunction last Friday of Moon, Venus and Mars may have been instrumental in bringing markets up into expiration. We'll see if it drops over the next few days as that energy dissipates

VITAL SIGNS

ReShort DJIA 100% on close below 17,700
Shorted 17,533.15 on Close Dec 10
5% STOP at 18,409.81 Close only
Increase to 200% Short any CIs below 17,550
Shorted 17,280.83 - New 5% Stop @ 18,144.87

ReShort 100% on close below 2047
Shorted 2026.14 on Close Dec 10
Placed 5% Stop at 2127.45
Increase to 200% Short on cIs below 2017
Short at 2002.33 on close Dec 12
5% Stop on the new position at 2102.45
THIS position stopped Fri CI=2110.30 -5.4 Loss

ALL OUR STOPS ARE CLOSE ONLY!



UPTRENDS REMAIN STEADY AS NEW HIGHS RECONFIRM!

Last month we mentioned: “The test this week will be at the 200-Day Moving Averages of the DJIA & SPX and the 4080 ‘Magenot Line’ in the NDX 100.” You can see from these charts (above) that the supports held exactly at the 200-Day MAs (dark blue lines) on the DJIA and SPX and on the 4080 (light black line) on the NDX. In addition, the CBOE Volatility Index (VIX) was in a large triangle pattern about which we wrote: “A break above recent highs, let’s say 26, would augur strongly for a lower market. Below 14 might indicate more market stability and possible rise.” It broke down. And markets rose.

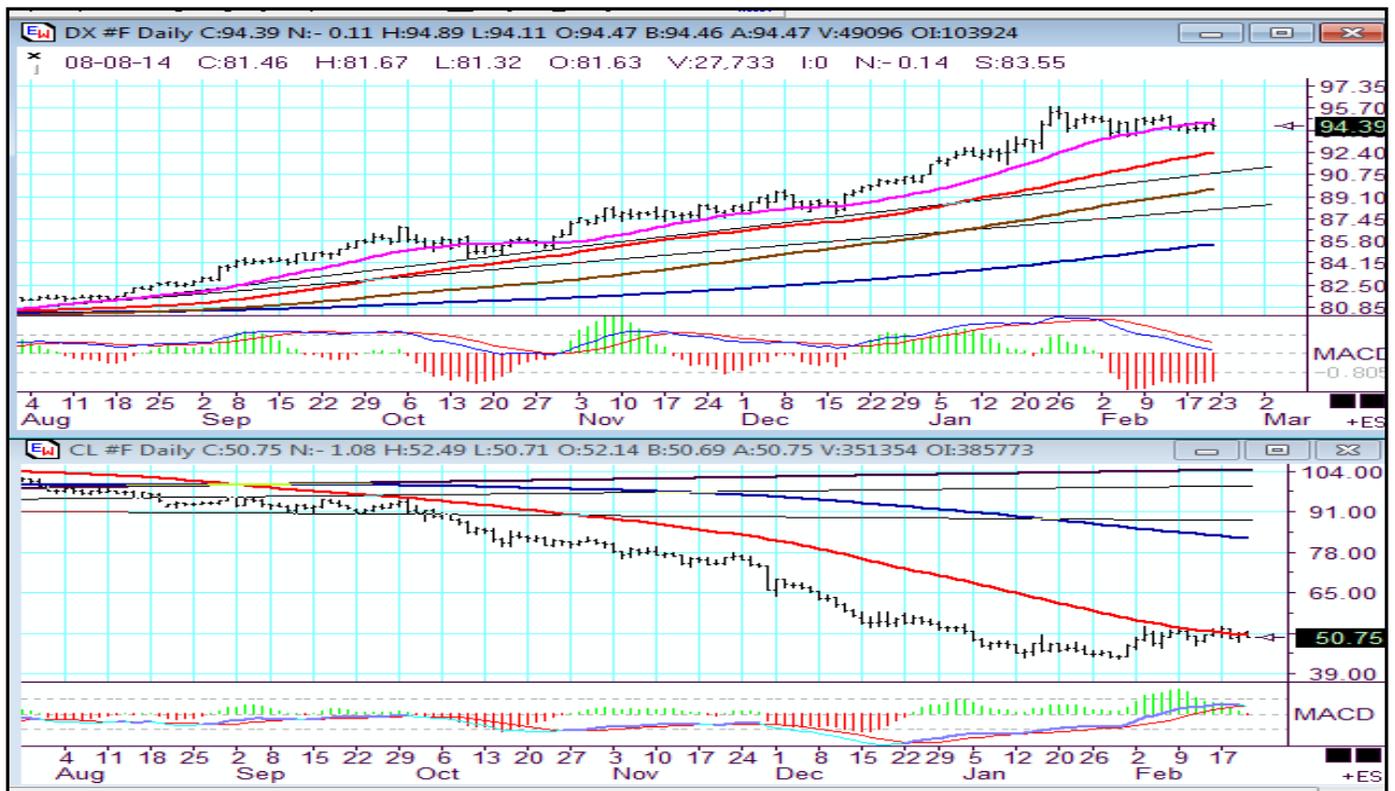
The very smooth channel lines are evident in the major indices and the recent rally maintains that integrity. Getting back up near the tops of those channels could indicate the timing of another possible reversal to the downside. The triple conjunction of Moon, Venus and Mars on option expiration last Friday may prove to be an exact top in some markets or stock groups. We have charts of such an occurrence that did top some groups, but it was a particularly tight alignment in that the Moon actually covered the face of the other planets involved in what is called an “occultation”. It could still have some merit in this case. In any case, March 11-25 carries some heavy duty aspects which may create some havoc in the world and some of it might effect some markets.

We have constantly harped on the fact that internal market dynamics by many indicators have failed to give a clear bill of health to these index price levels. Volume continues to dry up. Thursday’s volume was the lowest since December and Friday increased only slightly because of option expiration. NYSE New Lows have contracted to very low levels which does help with hanging a rosy glow over this trash heap. On the other hand, a huge percentage of NASDAQ gain has been attributable to Apple (APL) in its own Lone Walk!

The fundamental worry at this time is that the rising US Dollar will price US goods out of world markets. Earnings of American companies will be coming under greater pressures as the year wears on, and home starts just took a surprising dip. The steep rise in short term rates over recent weeks is going to affect real estate. Healthcare is creating bigger and bigger problems as rates rise there; some surprises are in that mix. There are pages added to tax forms for those being subsidized for healthcare. March and April will bring huge disappointments if penalties are levied against people under Obamacare rulings.

Note the **30-Year Bond** chart at bottom/right of charts this page. It recovered close to the 2012 highs peaking on January 30th and dropping back sharply as rates on the **TNX** (page 4) struck a low at 1.65% and recovered to 2.13% in only three weeks. All ears will be on FRB Chairlady Janet Yellen this week as she appears before joint Congressional hearings. We have mentioned in an earlier CP letter that we think the FED will NOT be Able to raise rates this year without knocking the underpinnings from economic recovery. Almost all countries are jiggering rates lower – not higher, as there have been several hundred rate declines announced over the last three years.

“We’re also in a world characterized by a currency war. Every nation wants a cheap currency to help their exports. How do you achieve profits in this kind of environment? You buy the strongest currency, which today is the US dollar. It’s obvious by now that a new currency is needed, and it would be the central banks that would develop a new currency. You can be sure that the central banks will do whatever they have to to stay in command. The new currency will be a complex of three or four leading currencies, plus gold. In the new currency gold will be the dominant factor.” - Richard Russell (DTL 2/11)



US DOLLAR UP – OIL, GOLD, COMMODITIES DOWN!

The powerful strength in the **US DOLLAR** has the effect of lowering the price of everything traded in **Dollar** terms. The **DOLLAR INDEX (DX-Top chart)** is measured against the currencies of our 12 largest trading partners. **OIL (CL-Bottom chart)** is perhaps the largest loser, partially from worldwide deflationary recession and partially from the spectacular increase in availability from American ‘fracking’ interests. **OIL** has declined over 50% since last summer.

Technically these charts are both at ‘tipping points’ in that prices of both have stabilized over the last few weeks and are beginning to press against significant Moving Averages; the **Dollar** down against a rising 20-Day MA (pink line), and **OIL** up into a lowering 50-Day MA (red line). Interacting and intermingling with these lines over the last three weeks has left their major trend directions in doubt. The prices are threatening to reverse their multi-month flows and there is no clear indication if they will accomplish that or not. If not, there will likely be a price acceleration along the original path; if so, the acceleration will take place in the new direction.

The old Danger/Opportunity duality reigns supreme, as either outcome will likely result in a high volatility decision by traders (quickly) and investors (somewhat less quickly). **Fundamentally** these moves have been a strong reaction to newly perceived realities. The question here is: Does the new price fully discount the new realities? Has the new price overshot the degree of the new realities? When the fundamentals remain complex and indecisive or indeterminate, we lean more heavily on the technical aspects. At least the technical rules can be made to produce clearer parameters for action!

For instance we can say: “We will Buy/Sell on a 3% move Above/Below the technical Support/Resistance (be it a previous High/Low, Moving Average or trendline, especially if confirmed by a certain percentage increase in Volume and Momentum. These criteria being met suggest that new fundamental information has become available, which is not yet public, causing ‘those in the know’ to overcome price levels which were previously effective in limiting further movement. This is a good plan to use when facing difficult choices.

Also be aware that ‘those in the know’ will occasionally push prices through known technical levels in order to ‘fool’ the traders before violently reversing them in the opposite direction! This has become a more common factor as Technical Analysis has gained considerable following over recent decades. Remember that markets represent a ‘live game’ and players will attempt different strategies to stay ahead of others. These ebb and flow in popularity as they work until others catch on!

“Oil prices have more than halved, which – coupled with the collapse of the rouble [sic-Brit spelling?] that stemmed from the turmoil in Ukraine – has gone a long way towards disabling the Russian economy. Cheap oil has weakened Iran’s economy, too, lifting the chances of a realistic nuclear agreement. Finally, oil-rich Venezuela was on the edge of default even before the oil price decline. This amounts to a marked change in the economic and geopolitical landscape, of which the main beneficiaries are the US and its allies.” - Alan Greenspan in Friday’s *FINANCIAL TIMES*

TNX is another of those elements that have made extra-large movements over the shorter term! From rates of 2.30% in late December, it suffered a shocking loss to a minimum 1.65% on January 30th. From those lows we see a recovery to 2.13%.

We wrote last month about great swings in Francs and in Euros and in Oil and in Rubles and in a number of stock markets. That these wide swings have led to some massive bankruptcies that we have not yet heard delineated.

U.S. rates flip-flopping causes consternation in Real Estate markets among other things. We feel strongly that this high-velocity world will “come a cropper” when the water goes out and we see who is not wearing bathing suits!

Safety is of great concern out there in the world. Last month we wrote: “Most Americans believe that the FED is bent on raising rates in the months ahead. Most other countries are actually lowering rates in efforts to stimulate business transactions. It does not seem to be happening that way. We believe that a rise in rates here will collapse equity markets.”

The CRB Commodity Index is off over 30% year over year. The large declines in Copper and Lumber telegraphed the problems now beginning to show up in the housing markets. A number of suicides have shown up in the worldwide banking community over recent years. What do they know that we don't?



ASTRONOMIC ACTIVITY – (Give all these a time period of +/- 2-3 Days)

- FEB 20 = Friday Moon conjoins Venus and Mars in early Aries after the markets close = Strong energy may effect Option Expiration upside.
- FEB 23 = Sun squares Saturn early Monday morning = Markets may react lower, at least early on. Negative economic news.
- FEB 24 – MAR 2 = Aspects are very quiet. Markets are either very quiet or move (even sharply) on low volume.
- MAR 3 = Jupiter trines Uranus = Truly positive markets – somewhat inflationary = Better Economic News. MAR 8 = Daylight Savings Time
- MAR 9 = Mars trines Jupiter in the late evening = More good Economic news = General good feeling.
- MAR 11 = Mars conjoins Uranus and square Pluto = Unusual and unexpected happenings – Very likely violent.
- MAR 13 = Venus squares the stationing Juno = Possible large change in Gold/Silver (either way) Fri 13th!
- MAR 14 = Saturn Retrograde Station = Conservative Republican gains quashed by Republican Establishment = Negative economic news.
- MAR 16 = Monday evening Final square of Uranus to Pluto in Ecliptic Longitude = (3 more in Equatorial Longitude=Right Ascension)
- MAR 17 = Sun square Pallas = Metals UP! Mars 135 to Saturn = More negative economic news.
- MAR 20 = TOTAL SOLAR ECLIPSE at 29 Pisces 27, 33 minutes of arc from the Vernal Equinox. This is ANOTHER REALLY BIG ONE!
- MAR 22-23 = Mars semi-square and contra-parallel Neptune = INFLATION! Metals UP! Chemical spills. Violence against churches. Drunks
- MAR 25 = Mercury contra-parallel Uranus = Discombobulating events 8 minutes before NYSE Close! = Expect the unexpected! Unusual News
- March 11-25 aspects in the sky can cause much disruption with destructive actions rampant. Look for an intermediate strength correction.
- MAR 29-30 = Grains Up; Metals Down into a Low and probably a Buy point!... at least for short term.
- APR 4 = LUNAR ECLIPSE on Saturday = Look for lower markets by Thursday, April 9! Next CP letter due April 6
- APR 8 = Jupiter Direct Station = Better times coming, at least for a few weeks.
- APR 16 = Pluto Retrograde Station = These Station Dates can be very Intense, especially the Pluto one = Power struggles; Force of Will.

ATTENTION: The CP newsletters are usually Emailed 1st Mondav. Next (Apr) CP will be Mondav, April 6

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