

CRAWFORD Perspectives

NOW We Have the DEATH CROSS in the NDX!

October 5, 2015 Vol. 15/10

We reported on the 'Death Cross' in the Dow Transports in our June 1 CP letter. August 14 the DJIA joined the party in negative mode. Friday, August 28 produced a 'Death Cross' in the S&P500 Index (SPX) AND a Dow Theory SELL Signal. Now we have the NDX and NASDAQ joining the fray!

However, it is either late in the game or it remains very early in the game. Some technical indicators are reaching levels that must be considered better than normally "Oversold", yet many intermediate and long term factors remain possibly in early stages of a more serious Bear Market. We are inclined to give the same advice as last month: **"Short rallies until proven wrong!"**

The last 'Death Cross' in the SPX occurred in August 2011, and even then there was a lower low about a month and a half later, although it appears in hindsight that it was a 'Fake Out' break which quickly reversed upside. It is possible that the recent fifth week low, which was a higher low in the most popular averages, could have confirmed a new base with the low back on August 24-25.

We are certainly not convinced of that, and some of the broader indices from both Wilshire and Value Line have indeed made slightly new lows, but others of those ilk have not. It is a small plus that the Shanghai Composite has also not broken lower. But those factors are also being manipulated as far as possible by governments and central banks and, at this point, that is no guarantee of anything!

Worst of the lot relate to the Junk Bond market as their shorts just keep giving! They are the first to suffer as confidence wanes and JNK (ETF) is down -15.4% from its late June peak, and continuing to accelerate downward!



The TREND is Lower and the Trend is your friend! Today's IBD technical section says Friday's market action confirms a new Uptrend as the volume increased on upside. We beg to differ as volume was not above two days ago. Speaking of which, the NYSE Advance-Decline line made a double bottom, but not a lower low in late September. But if you take the Advancing-Declining Volume line, it made a much sharper low

Recently, whipsaws have been the rule rather than the exception, and we expect another very soon. Whatever happens today, tomorrow will be much worse as Venus and Sun attack Pluto while Mars attacks Neptune. Partnerships dissolve over mistrust! Can be violent with Pluto involved. Tuesday/Thursday = Massive water damage! – May ruin some grain crops – raise prices?

Venus and Mars annoy Neptune on Thursday = could be positive for inflation, metals & oil – for a trade. Confusing for stocks and currencies. Not a good week for women – more bad for Hillary? On Friday the ninth, Mercury returns to forward motion, bringing rapidly shifting change, for good and/or ill. After now though, some of the difficulty with communications will begin to clear up. All these visitors to the US and the UN through the retrograde period will likely come to naught! The direct station point is the first degree of Libra, which can bring events into global consciousness. A person or thing of great beauty will pass from us.

Early option expiry this month on the 16th. The New Moon of the 19th, the first after a Solar Eclipse, could bring sudden interest rate changes here and abroad. October 22-23 = Next ugly sky days.

Looks like another weird FOMC meeting announcement with such aspects that correlate with Uncertainty, Nonsense, Confusion, Lies. The Moon is void all day after 10:21 ET. Whatever comes of it will not be the expected or hoped for result.

It is fairly common for great volatility in October to end with the latter period rising through December. This time the last week appears to bring even more turmoil. Also the mid-December frame could add to difficulties and confusion, especially since the next Mars-Uranus potential Crash period begins there. Greater problems than this Fall will visit during 2016, but could manifest anywhere during the year, or stretch out through the entire period.

VITAL SIGNS

Shorted DJIA 17,533.15 on Close Dec 10
5% STOP at 18,409.81 Close only
Increased to 200% Short July 6 ASAP.
Mon. close=17,683.58; 5% Stop at 18,567.76

Shorted S&P500 2026.14 on Close Dec 10
Increase to 6% Stop at 2147.71 Close only
ReShorted 200% on Close at 2057.64 June 29
Add 5% STOP at 2160.52 for this portion.

ALL OUR STOPS ARE CLOSE ONLY!



THE NASDAQ AND the NDX100 FINALLY ACHIEVED the DEATH CROSS! IS IT TOO LATE?

We were just now looking over the similarities between market patterns now and with the letter we wrote on September 4, 2001. Our headline was “CRASH BY OCTOBER 5? MARS-URANUS CRASH CYCLE CULMINATES!” On page four, we mentioned several times that we expected a war with the Middle East around the 7-8 of September. We were three days off, as President George Bush said on TV on the evening of 9/11 = “We are at War!” Markets didn’t open for a week, and when they did, that week experienced the worst decline since the Fall of France in May 1940.

The developing picture from market action patterns were already quite startlingly negative. Our page three headline was:

“PRICE CHART PATTERN WORSE THAN INDICATORS!” with an enlarged chart of the S&P500 weekly with trendlines and moving averages. The subheading read:

“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, **Same months in some cases**
- 2) The 2nd steepest trendline, which was of much longer duration broke decisively in early March; **NOT same**
- 3) If the 3rd “Fan Line” breaks (now at about 1110, not shown), it will confirm a much greater weakness!
- 4) In fact, after the 2nd line broke, prices moved back up to “kiss” the bottom of that line, then fell away once more, giving a further negative technical signal; **This is exactly the same now!**
- 5) The 50-Week Moving Average (red) peaked last September and turned down; **Again same month**
- 6) The 50-Week MA is now threatening to break below the 200-Week MA (blue); **Already has in our current case!**
- 7) The MACD Oscillator (bottom of chart) peaked in the first third of 1999 and has not recovered; **Peaked late June**
- 8) The MACD is now turning back down UNDER the ZERO Line, a Very Bad sign; **Another Exact SAME**
- 9) The PRICE has NOT been able to rise above the 50-Week MA; **SAME**
- 10) The PRICE has NOT been able to rise above ANY PREVIOUS HIGH!” **SAME**

SO, we are proposing here that the technical market conditions are almost exactly the same as they were the week before September 11, 2001. We are NOT proposing that another attack will take place, leading us to War – Yet we would not be surprised if it did, considering all the international set-ups where that might be a natural continuation! But the Stock Market similarities are most definitely in place, with the single exception that the Mars-Uranus Crash Cycle has not yet advanced to its most dangerous timing sequence.

That dangerous sequence actually begins December 10 this year and continues through to late December, 2016. Crashes are quite rare, so that many periods which might be considered dangerous, pass without a Crash or even a severe downturn. But the fact remains that EVERY Crash during the last 100 years has occurred during the same 40% of that amazing cycle.

Due to rapidly increasing instability in financial and economic conditions around the world, crashes have become more common in recent decades. Not only that, they are getting bigger and meaner! Next will be a real doozy! (Note – The comparisons here are Fractal, as the current chart is Daily and the 2001 chart is weekly! The entire 2001 September letter is available on our website at www.CrawfordPerspectives.com/documents/CP01Sep4.PDF)

“The US FED folk are the only ones even talking about raising rates. Most others are actually lowering rates because business is collapsing due to Currency Wars amongst nations. We predict that Interest Rates in the US will NOT Rise this year – but it will NOT be a ‘Good Thing.’” - Arch Crawford – Crawford Perspectives – February 2, 2015



PAPER GOLD REMAINS IN DOLDRUMS – PHYSICAL GOLD MORE INTERESTING!

As you can see from this chart, **GOLD** has not been able to surmount any previous high or trendline, nor to maintain itself above the 50-Day Moving Average (red). Spikes above this MA have been sharp but brief. It has not gotten near its 200-Day MA (blue) for quite some time – 2 years or more. Meanwhile, the decline has been steady and persistent, forming a near symmetrical trend channel.

The Fibonacci retracement levels have been somewhat effective as supports and resistances with the 50% level (thicker brown line) the more significant and reliable. Although this has recently given way, we can see that the MACD (bottom section of chart) momentum measure is currently on a short term BUY. That is the only technical positive to offer the Gold Bugs a smidgen of Hope.

For a positive case, it must first regain the 50% line and the 50-Day MA which 1200 would confirm nicely. Next to surmount the trendlines just above 1250 and then the 200-Day MA and another trendline tracking currently near 1400. Clearly, it needs a number of aggressive accomplishments to confirm its upward mobility.

Nevertheless, we prefer not to play the Short side of the ‘precious ones’ as we have little faith in the value of paper with only Government-Speak as a guarantor. With widespread instability coursing around the world like a billiard ball, bouncing into others, bringing chaos and turbulence to long-established institutions and flight to millions in haste to cross borders for safety and sustenance, there is great concern for the maintenance of reliable life-enhancing processes. To wit, could these insecurities bring stupendous overnight increases in prices of food, water, weapons and Gold/Silver?

We’re sure it’s just a coincidence – Among the interpretations of Saturn’s entry into Sagittarius for two years on September 17, Reinhold Ebertin wrote in the first half of the last century: “Separation from one’s native country, the desire to emigrate.” That seems to be coming true in the greatest numbers since World War II.

“Stay safe. Thanks to decades of fiscal and monetary malpractice leading to excessive spending, speculation, and misallocation of economic resources, the global financial system has been loaded up with excessive debt, leverage, bad "assets", and hidden insolvency. U.S. cities (Detroit, Stockton) and sovereign nations (Greece, Cyprus, Argentina) have had to admit they are bankrupt and can’t pay their debts--and there appear to be other major entities who are trying to cover up their financial weakness. Although central banks print trillions of units of fiat currency (which they pass off as "money") out of thin air and backed by nothing at all in an effort to keep the global financial system from collapsing, their inflation of the currencies not only has not fixed the underlying problems, but actually exacerbated the imbalances in the real global economy and, thereby, escalated risks. Debasement of the currency is only the first step, which then can be followed by suspending pension payments, imposing capital controls, raising taxes, and bailing in banks by seizing part or all of customers' deposits.”

Robert Colby – Colby Global Markets report – October 2, 2015

The **US DOLLAR INDEX** has spent most of the last five weeks between its 50-Day MA (red) and its 200-Day MA (blue), with brief spikes higher and lower. It appears to be approaching a possible (likely?) 'Death Cross' whereby the 50-Day dips down through the 200-Day. Though this is no certain death knell, it is a necessary precursor to a deeper corrective phase. In addition to that, this week has overseen the development of a MACD Sell Signal which tells us that momentum is not keeping up a positive balance, and warns that the Death Cross is more likely.

Therefore our previously deemed Flag pattern is slipping into a weaker mode and no longer merits that gratuitous appellation. It now leans toward a more neutral to somewhat negative reading, although a close above 97 could erase the growing uncertainty in a positive manner and a close below 95 and moreso below 94 would more strongly increase the negative probabilities.

As we wrote last month: "A close below its 50-Week MA (red line) could indicate a potential for change to a greater negative." In fact, it has lived mostly below it during September. It now hangs in the balance.

GOLD has managed to stay above recent lows but, disappointingly, has not yet closed above any meaningful previous high! The 50-Day Moving Average has not once in the last year surmounted the 200-Day line. That constitutes a further disparagement for the hopes & prayers of the Gold Bugs! We continue to hear that physical **GOLD** and **SILVER** are becoming more precious with greater premiums and greater wait times for delivery.



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

- SEP 8 = First day back is energetic, pleasing. **Probably a good market!** Venus parallels Jupiter, Mars trines Uranus. **DJIA +390.30**
- SEP 9 = Everything turns back to crud today, as Mercury squares Pluto! Markets back down! **DJIA -239.11**
- SEP 13 = Sunday is the 29th day of Elul = Shemitah Day – End of Hebrew year and a SOLAR ECLIPSE! Some expect bad economic news Monday
Next 11 trading days = September 14-28 SOLAR Eclipse to LUNAR Eclipse = DJIA was down -431.20
- SEP 17 = Next FOMC announcement = Packed astro-date = Full of major astro-CHANGES! Limits on moving money? High cash inflation? Rates?
- SEP 18 = Quadruple Witching expirations – Options – Index Futures = Yesterdays actions may carry through today as well! **DJIA -290.16**
- SEP 27 = Final Blood Moon Lunar Eclipse 10:50pm EDT – Early 28th in the West. **Next day DJIA -312.78**
- SEP 30 = U.S. Fiscal Year-end! Armstrong PI Date = Big changes! Major Unexpected Doings! **Tape painted! DJIA +235.57**
- OCT 2 = Sudden transformations of living conditions or forms of being. Something strange about employment numbers? **Oh, boy-Were there?!**
- OCT 6-12 = Extremely intense batches of planetary aspects – more negative than positive – Guaranteed to add stress to whatever else.
- OCT 6 = Spats, break-ups spill over into markets on the negative side today. Sun square Pluto may bring more violence, surprise attacks.
- OCT 8-9 = Fierce passions dominate. Someone gets pinned to the wall! Attractions for the wrong reasons. Mercury turns Direct – Things change!
- OCT 10-11 = Really INTENSE energetic weekend carries into the Monday New Moon. Saturday depressing but Jupiter trine Pluto Sun evening.
- OCT 12 = Back to more difficult today. Sun/Jupiter can be an uncomfortable expansion. Venus 135 to Uranus=Unusual news just after mkt Close.
New Moon at 19 Libra pictogram is = A Gang of ROBBERS in Hiding – Waiting in shadow to take advantage of someone or something!
The New Moon after a Solar Eclipse (a month later) has a higher than normal probability of Interest Rate changes!
- OCT 15-16 = Metals should have a good rally into this weekend and possibly top there temporarily.
- OCT 16 = Option Expiry very early this month. So be careful if you're trading them. May be down early but up to close.
- OCT 22-23 = Next very ugly sky days = Saturn 135 to Uranus, Mercury square Pluto. Sun enters Scorpio 1:48pmEDT Friday.
- OCT 26 = "Forecasts are dim, moods glum, vision limited. Work or organize your way thru depression, a denial, or an unfair judgement." (Dell)
- OCT 28 = FOMC 2pmEDT. Mercury/Neptune=Zero Aries = "Receptivity, Uncertainty, Nonsense-Confusion, Lies" (Witte) Moon Void fm 10:21am
- NOV 2 = Venus/Mars conjunction at 8:10pm EDT=along "With the Moon in frisky Leo, issues of love and attraction take centre stage." (Mountain)
- NOV 5 = Jupiter quincunx (150 deg.) Uranus = "may increase anxiety" (Mountain Astrologer mag)
- NOV 8 = Venus enters her home sign Libra = Could bring some relief to whatever ails.

Please visit our website for a partial calendar of events for this crucial and critical period – September – into October – with LINKS to more info.

ATTENTION: The CP newsletters are usually emailed on 1st Monday of months. Next CP will be available on Monday November 2

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