

CRAWFORD *Perspectives*

MARS-URANUS CRASH CYCLE ENDS!

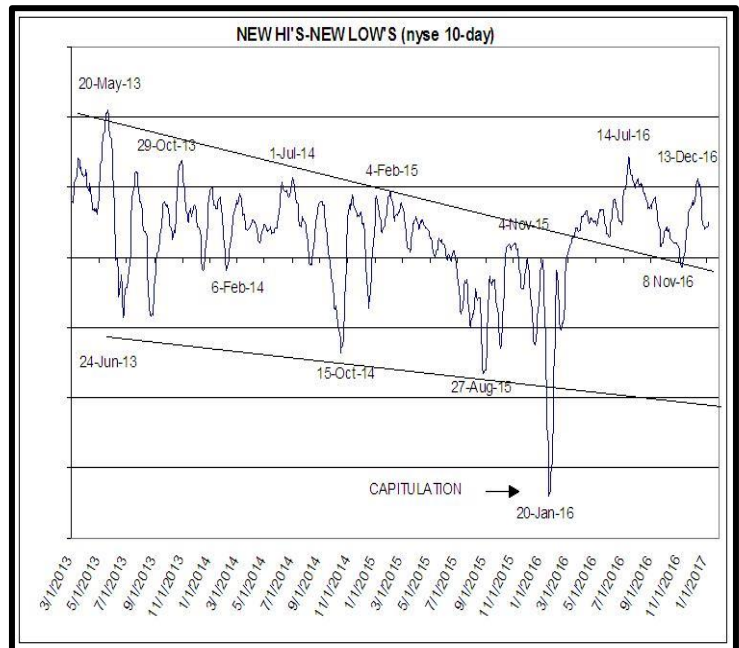
January 9, 2017 Vol. 17/01

That means that the probability for a stock market crash in the immediate future is greatly reduced. As it happens, EVERY stock market crash has occurred during the same 40% of this two-planet Synodic Cycle. Sunday, Mercury returned to apparent direct motion. That is the end of a second cycle which also correlates highly with down markets of a serious nature, therefore increasing further the likelihood of a period safer from cataclysmic upheaval.

It does NOT mean that our markets will not suffer declines, only that they are not as likely to exceed normal parameters. The actual quiet low of that cycle will be the Mars/Uranus conjunction February 27. On the other hand, the first year of a new presidential cycle (of four years) tends to be the worst for markets and economy, and they tend to get better through the fourth year. This is NOT going to be an easy year, for economies or politicians or bureaucrats.

The S&P500 and the NASDAQ Indices have just made new all-time highs, along with the Wilshire 5000. The DJIA has not, along with the NYSE Composite. The DJTA made a new high in December but not again so far this year. So we have divergences, but not big ones. They could all confirm in one or two days action

There is a seasonal problem with internal market indicators at this time of year. The first is that volume drops off dramatically as Holiday Cheer increases, and good technical analysis prefers to have volume increasing in the direction of movement in order to confirm the consistency and strength of that movement. Then comes Tax Selling usually ending mid-December, yet it does complicate a comparison of 'normal' market action.



Closer to year end, position squaring for the bean counters for the benefit of quarterly and annual statements comes into play. Not only do volume characteristics decrease in reliability, many other internal dynamics which 'normally' give valuable hints of directional strength and sustainability, appear in warped or strange formats or disappear altogether. As a result of these added uncertainties, many floor traders and day traders take off from active participation, as conditions become cloudy or unusually volatile.

A couple of examples: Volume has not exceeded its 200-Day Moving Average since Option Expiration, December 16; also from mid-December NYSE New 52-week highs declined from a 10-day average of 273 down to 104, but over the same period 10-day New Lows also declined from 52 to 15 [see chart above]. 10-day Average of NH-NL is currently at the MODE of the last three years. [Mode is the most populated level].

It then requires a period of 'normality' returning before reliable judgment can be formulated. We are now in the middle of that reformation. This year in particular, the economic conditions are unusually mixed and in flux, while the political uncertainties are completely off the charts, nationally and internationally.

There could be some release of tension at the Full Moon this Thursday as it forms a Grand Cross with Pluto 5 degrees from the Sun and Jupiter opposing Uranus forming the other arm. Someone (person, Co. or place) may be unexpectedly saved from bankruptcy, or from a dangerous situation. A somewhat lesser but still dangerous possibility is that the 'release' could come from tectonic plates in the form of Earthquakes!

There will be another Two-Eclipse series during February. There are always special or peculiar pressures attending the Eclipses, and often when other planets aspect those points.

VITAL SIGNS

Re-Shorted DJIA 100% Mkt On Close Dec 5
At 19,216.24 3.5% Stop on at 19,888.08
Stopped Out Dec 20 @ 19,974.62
Shorted 200% on Close Dec 23 @ 19,933.81
3.5% Stop now @ 20,631.50+ Close

200% SHORT S&P500 on AUG 29 @ 2180.38
STOPPED on Dec 9 @ 2259.53 Close
NO CURRENT POSITION in SPX
SHORT 100% SPX ONLY
On A Close Below 2100.00.
If hit add 3.5% Stop

ALL OUR STOPS ARE CLOSE ONLY!

We PRAY for the United States and all its principal officers.



MULTIPLE NEW HIGHS ABOUND WHILE MOMENTUM REMAINS SUB-STANDARD!

The SPX and NASDAQ indices have confirmed new highs, breaking out above the Equinoctial highs of December 20 [Mercury went retrograde on the 19th and the Equinox was early on the 21st]. The Broad Wilshire5000 has also made the leap. The NYSE Composite has not yet, nor has the Russell2000. The DJIA could easily break above 20,000 as the intra-day high tick Friday was 19,999.63. It's just playing cat and mouse with this psychological level for the benefit of public news play – something with which to grab the attention of readership, which is sorely lacking as of late.

The NYSE Advance-Decline line is continuing to confirm the current uptrend. The S&P500 stocks above their 50-day MA's and 200-day MA's are rising and high, but we are still showing that momentum is having a hard time keeping up with price highs. This could cause a problem at some point, but whether it could do so now remains moot. You can see in the chart on page one that 10-Day NYSE New Highs-New Lows peaked last July 14 and the recent high petered out well below that on December 13. Mike O'Rourke of Jones Trading says: "...the combined prices of stocks and bonds rank in the most expensive percentile of readings going back to 1962."

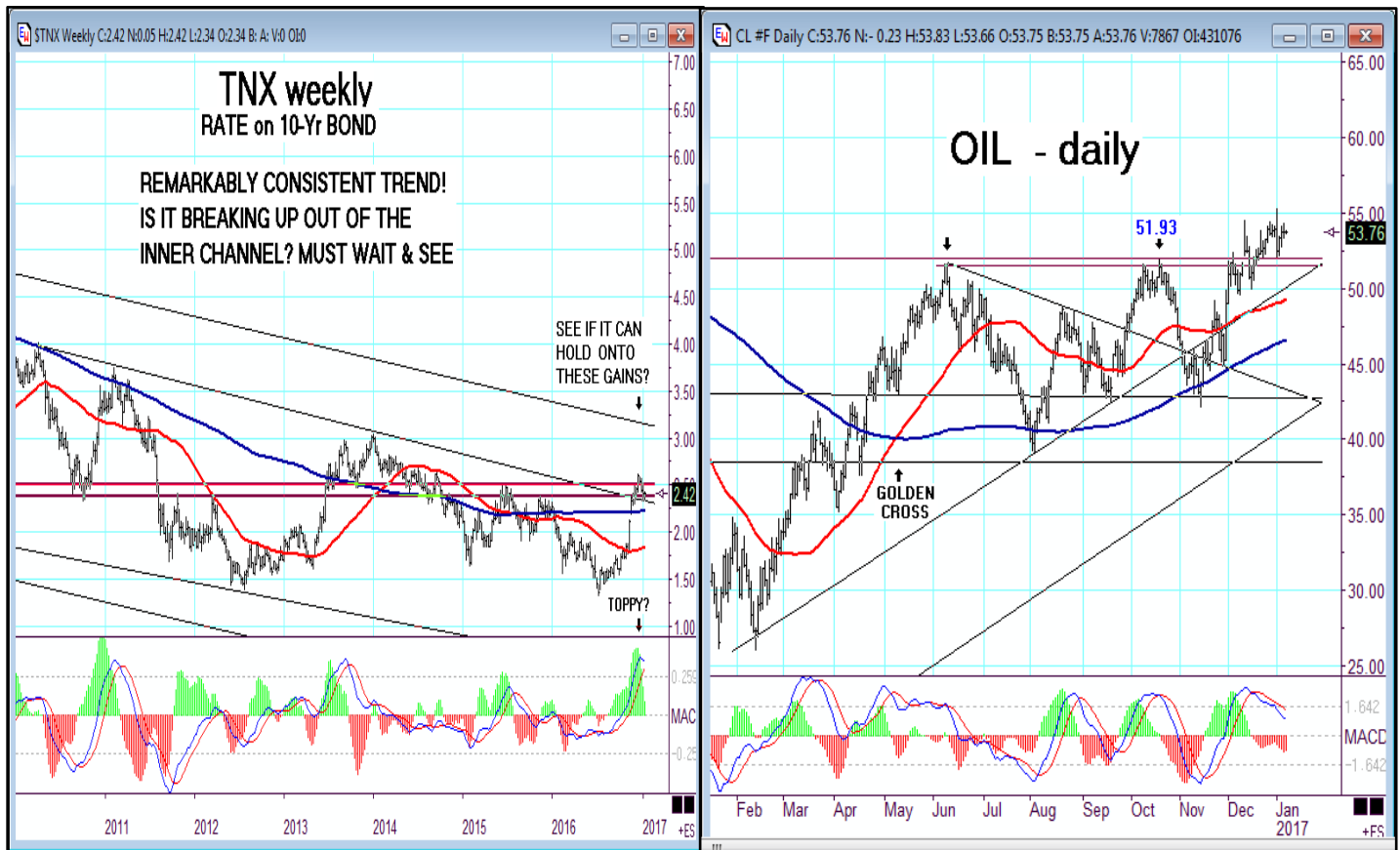
Now, I remember 1962 very well. Working at Merrill Lynch, I was recorded saying in November 1961: "If this market maintains its current developing pattern, it will peak in mid-December and Crash in 1962." It topped on December 13, 1961, continued sideways to lower in a similar trading sequence into mid-April, 1962, whereupon it broke a long-standing support 'neckline' on the day Jack Kennedy forced the steel companies to toll back a price increase, and proceeded lower in three waves culminating in a Crash on May 29, 1962, such that the NYSE tape ran for four hours after the official close.

Current Merrill Lynch (BofA,ML) reports that "Active fund managers have increased their positions in cyclical sectors relative to defensive ones to the most aggressive levels in five years." *Investor's Intelligence* ranks 60% of newsletters bullish, highest since mid-2014. Perhaps we shall see a market boost into Mr. Trump's first news conference in over five months coming up this Wednesday (11th).

The bad news this weekend from the economic standpoint is considerable. Brick & mortar Retail was hard hit this season, Sears and Macy's in particular. New York real estate dropped significantly – partly due to China limiting money outflows? Media outlets are licking their wounds as Presidential Race spending was much lower than expected, which is where they normally make up the greater bulk of profits on that four-year cycle!

The public has become rather put out by our formerly respected Fourth Estate's total failure to measure and report on the recent presidential race. Our major media outlets have turned from their purposes as credible supporters of our cultural heritage and trends and have forsaken that to become single party propaganda hacks.

"If you have always believed that everyone should play by the same rules and be judged by the same standards, that would have gotten you labeled a radical 60 years ago a liberal 30 years ago & a racist today." Thomas Sowell



INTEREST RATE HAS SPIKED ABOVE ITS INTERNAL TRENDLINE!

The 10-Year Bond **RATE** (TNX) spiked up just after FOMC announcement 2pm EST December 14, hitting a high of 2.621 on the 15th but closing highest on Friday the 16th. Pulled back to a low last Friday 2.339 before closing up at 2.418. A Daily chart showed a GoldenCross on US VOTE DAY, November 9, whereby the 50-Day MA crossed above the 200-Day MA (not shown). Now then 50-Day has risen to 2.27 where it can begin to pressure yields higher unless they break back below it. The point here is to see if the TNX can stay above that declining internal trendline. If it can, the next attempt will be to break up through the long term external trendline now at about 3.3%. Momentum is topy.

Inflation rates for 2017 are a matter of considerable debate. The Bank of England is expecting sharply higher inflation and interest rates to follow. U.S. projections are for modest rises to 2.2-2.3%. Some estimates are beginning to edge higher. CRB Commodity Index should give us a good hint of expectations. It has been remarkably stable between the high 170's to the low 190's since last May, although it is toward the high end as we write at 193.54.

The **OIL Market** has finally broken last year's double tops of June and October just under \$52 and advanced on up a bit above \$55. Last month we wrote: "Now we must see if overhead resistance can be pierced or if OPEC can uncharacteristically stick with an agreed production level. If they can, 62-65 realistic!" Not only has OPEC made it stick, so far, but the non-OPEC producers have now joined in with more restrictive production limits. Pure astrological analysis would suggest a high in the summer and a low in early December 2017. That probably goes also for inflation trend.

"PRESIDENT ELECT DONALD J TRUMP MIGHT HAVE HAD TO coax Hollywood's A-list into performing at his inauguration, but he has had a far easier time winning over Wall Street. Boldfaced Street names crowd his cabinet, and stocks' postelection climb has continued in 2017, lifting the Dow Jones Industrial average to within a hair of 20,000. If stock indexes could sing and dance, Trump would be flanked by quite a chorus line.

The market optimism is understandable. After a long spell of zero interest rates, a baton transfer from monetary manipulation to fiscal stimulus and pro-growth chutzpah can be an exciting regime change. 'We can get back to the business of real economic growth – real men building real things,' writes Stephanie Pomboy, founder of MacroMavens. 'It all sounds fabulous. And it will be – if and when it happens.' - Kopin Tan in BARRON's

The longer-term picture on **GOLD** (weekly chart at right) may be ready for a more positive bounce now. Two positive developments in this weekly chart are one, that the 50-Week MA (red line) has just crossed above the 200-Week MA (blue line), an event described as a Golden Cross. This merely means that the near term action has recently been better than the intermediate or long term trending, which, of course, it has. A further corroborating factor is two, that the MACD momentum indication is very oversold and is improving.

The negative in this picture shows better in the daily chart, that a fairly strong band of resistance lurking about the 1200 level +/-20 points or so. If current price levels can surmount that obstacle, the next goal would be around 1260-70 which would place it above both the 50-week and 200-week MA's. After that, the long term down trendline (across tops) is now about 1320 & will be down to 1300 mid-year.

If GOLD is able to clear last year's high at 1377.50, our earlier chart target of 1440 comes back into play. Otherwise, the heavier barrier is more likely in the 1520-50, but we can see about that later!

We did get our positive break in the **US Dollar Index** that carried up to 103.80, identifying a band of resistance at 103.50-80. Support is now rising with the 50-Day MA now at 100.80, so that is defining the new trading band which again must be broken one way or the other to key the next move.



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

- Dec 19 = Mercury goes Retrograde, brings action to a standstill. Next 3 weeks plans go awry, thought processes affected by emotions. Meditate!
Mercury station 1.5 degrees from Pluto and tightly square Mars. Dell says “Strongly opinionated when angry. Road rage.”
 - DEC 21 = Winter Solstice = Sun at zero Capricorn. Mars semi-square Pluto = Fanaticism, Violence, WAR! **Applies to the Winter Quarter!**
 - DEC 24-25 = Very pleasant holidays. Saturn trine Uranus. Venus favorable to both & Jupiter. Markets probably higher into this but down 26-28.
 - DEC 29 = New Moon and Uranus Station early today. Powerful start of more new Revolutions. Sudden radical shifts +/-3 days!
 - JAN 4 = Earth is closest to Sun (Perihelion). Difficulty for women as Pluto semi-squares both Venus and Pallas! Possible rape or honor killing.
 - JAN 5 = Mars // Jupiter both contra// to Uranus = Inner strains which are suddenly released. More often fortunate.
 - JAN 8 = Mercury turns back to forward progress = Safe to begin slowly to return to normal activities of planning and acting.
 - JAN 9 = Next Crawford Perspectives newsletter available if all goes well. Sun squares Uranus on the 10th = Earthquakes? +/-3 days.
 - JAN 12 = Mercury enters Capricorn. Full Moon! Communications within government and new government expand close to frantic.
A troublesome woman throws a golden apple into the fray causing fights among women and extremes of jealousy! GRAND CROSS FM
 - JAN 19 = Mars squares Saturn = Push/pull energy can result in things shaking apart! Misdirected energy. Inhibited vitality. Venus >Aquarius.
 - JAN 20 = At noon, Donald J Trump will be sworn in as our 45th President over bitter opposition. It will not be an easy presidency. Hard chart.
 - JAN 27 = New Moon at 8+Aquar is midpoint of Venus square Saturn = Unsatisfied desire, Emotional depressions.
 - FEB 6 = Jupiter Retrogrades = One support of positive essence is being withdrawn. And it's right before the Eclipse series!
 - FEB 10 = Lunar Eclipse 22Leo28
 - FEB 26 = Solar Eclipse in Aquarius marks the beginning of Chinese NewYear. Year of the Rooster. Actually begins on the 28th at Moon sight?!
- The fact of the Eclipse at this New Moon will indicate Huge changes in China and all who use that calendar. A Fated Year!

ATTENTION: The CP newsletters are most often emailed on 1st Mondays of months. Next CP will be available on Monday February 6.

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