

CRAWFORD *Perspectives*

May 8, 2017 Vol. 17/05

40 YEARS of CRAWFORD PERSPECTIVES!

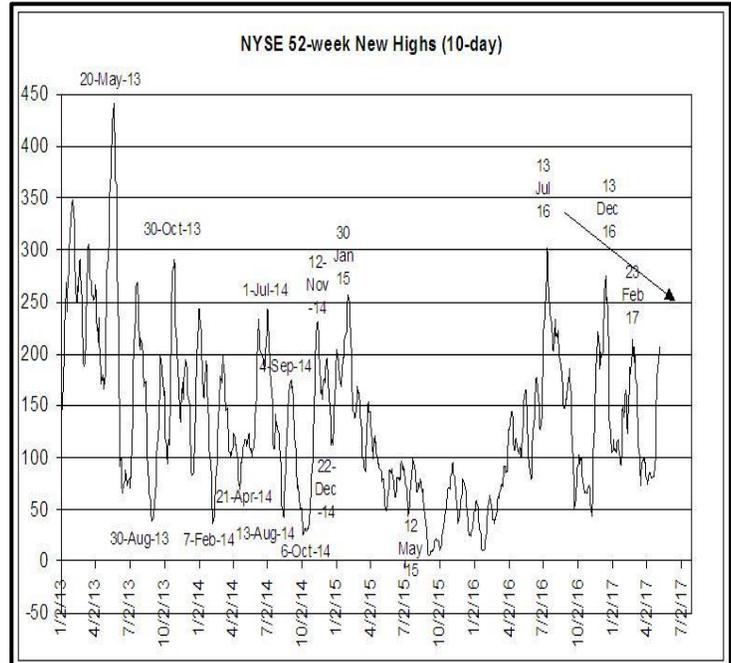
We published our first issue on May 24, 1977. I was encouraged to get registered with the SEC and begin the letter by friend and client Frankie Joe, who had made \$20 Million at Interstate Securities (\$10 for them and \$10 for himself). Frankie was introduced to me by "Fast Eddie" Thomas, head trader for Carl Icahn back at 25 Broadway.

I was trading there with a broker I had met at the SIRE (cycles) Group in NYC. I made 22 passes with options during January to March, 1975 without a loss.

Carl was very interested in options from day one and hired a woman to keep 'complete' info on ALL of them. I sat next to Carl one day when he bought many calls on IBM at 200. He then bought IBM enough to push it through the 200 level. Then he sold the options and then the stock. That's still legal if you're using your own money and not 'front running' your own clients. However, the Chicago option guys have become very much more cautious than in those days, and it's not so easy.

Among my early (and late) heroes in the newsletter writing business were Joe Granville and Richard Russell. Joe died at age 90 and Russell at 91; both continued to write up to a week before they passed on. My ambition is to emulate them, at least in that regard. I would like to think I have another 15 or so years to do this most interesting pastime. It is never dull. You figure it out and 'THEY' change the rules! Keeps you on your toes.

About that stock market, now, look for at least a minor high this week, May 9-12. Sun trines Pluto 2:20pm Tuesday followed by Full Moon after Wednesday's close. Thursday has Mercury trine Saturn the moment the Index Futures close (4:15 EDT) and Mars trines Jupiter before the



market's opening on Friday. From May 17th, there are greater numbers of planetary aspects considered 'difficult' or 'negative' continuing through Mars opposing Saturn early on Monday, May 29. That End of Month week is likely an upside as the usual EOM seasonality is heightened by positive aspects through Saturday, June 3rd, turning much uglier on Sunday and Monday. Mixed but powerful changes on the 8-9th suggest sharp moves but you may have to keep your fingers on the buttons to catch the swings, as they may be fast and/or choppy.

We are now in the seventh year of the Greek financial crisis. It doesn't seem to matter, as the EU has continued to carry them. Our question has been: 'With all these things going on out there, what day does it come about that any situation Hits the Wall?' Some of them are NOW Hitting the Wall! Puerto Rico has entered the protection of court bankruptcy. It is, by far, the greatest Municipal bankruptcy proceeding.

Wall Street Journal weekend edition with pic & headline: VENEZUELA IS STARVING - Now with the world's highest inflation rate. I would have to say, that is fulfilling my definition of "Hitting the Wall". With all the happenings out there and tremendous bitterness even here, or especially here, with terrorists and murders, Wars and rumors of War. In any other decade of the past century, Markets would have already shared in a worldwide collapse.

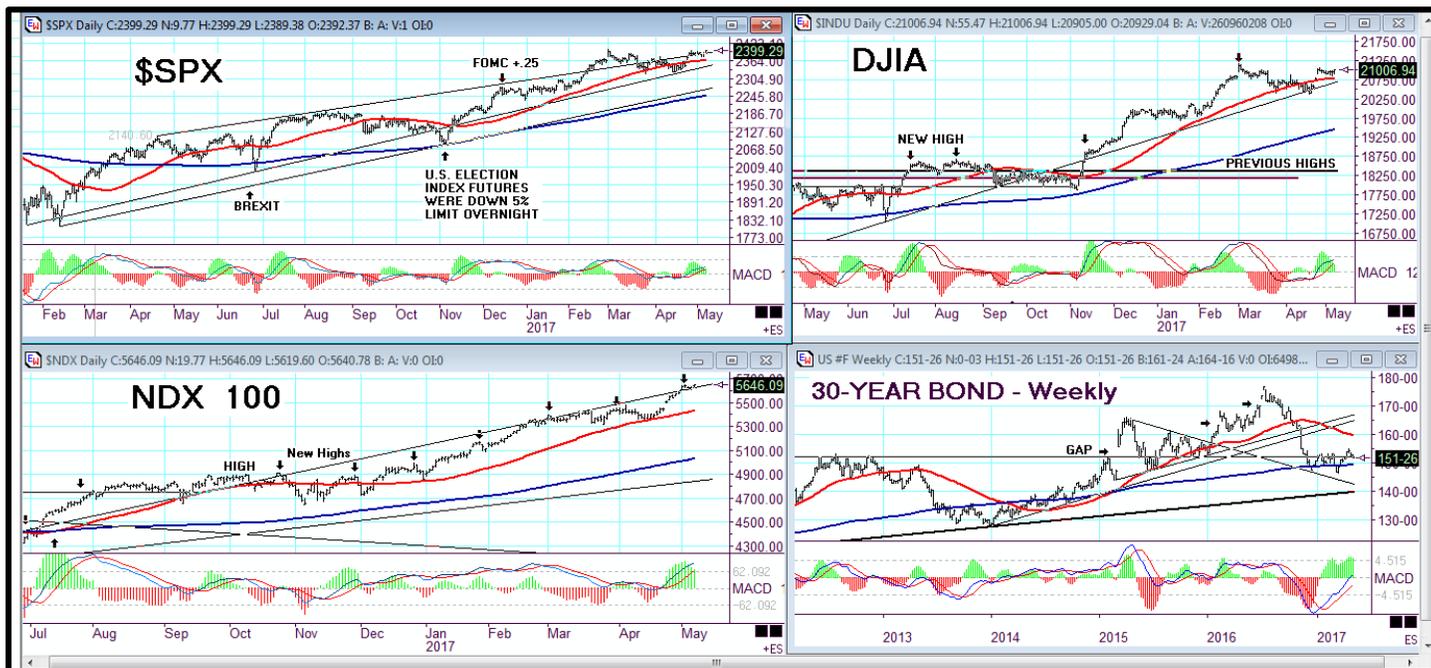
Last month (April 3) we wrote: "Watch April 7 +/-3 trading days for further hints of the developing particulars in politics, economics, natural disasters, excessive mental states, accidents, hospital admissions, warlike posturing, etc. We haven't experienced these intense emotional outpourings since Princess Diana died! We expect another powerful burst of Solar energy on April 7 as Earth conjoins Heliocentric Jupiter, both square to Pluto. Look for extremes!" Note particularly the "warlike posturing" we underlined here. Did you realize that we attacked Syria within 24 hours of this 'Timeline'?

VITAL SIGNS

NO CURRENT POSITION in DJIA

NO CURRENT POSITION in SPX

ALL OUR STOPS ARE CLOSE ONLY



NASDAQ HAS A TENDENCY TO LEAD MARKETS UP and DOWN - RIGHT NOW, UP!

The strength into this weekend might see further follow-through into this week, with a short-term peak due by next weekend. Although the NYSE registered the most New 52-Week Highs since January 25 on April 25, we begin today dropping off the larger numbers from ten days ago, which will likely top the 10-Day Moving Average. [see chart page one] If ‘price’ continues higher without further expansion of ‘New Highs,’ that could begin a non-confirmation phase and raise the probability of a top nearby. In addition, the MACD lines at the bottoms of these charts are narrowing and could render a Sell Signal at any time.

For many moons we have mentioned the tightness, or lack of day to day movement in Market indices. We believe it to be indicative of a near complete ‘controlling authority’ which must be our government or the Federal Reserve. The only reasonable explanation to me is that there have been outside threats of hostile governments to crash our financial markets to end the reign of Capitalistic Controls operating over most Western societies.

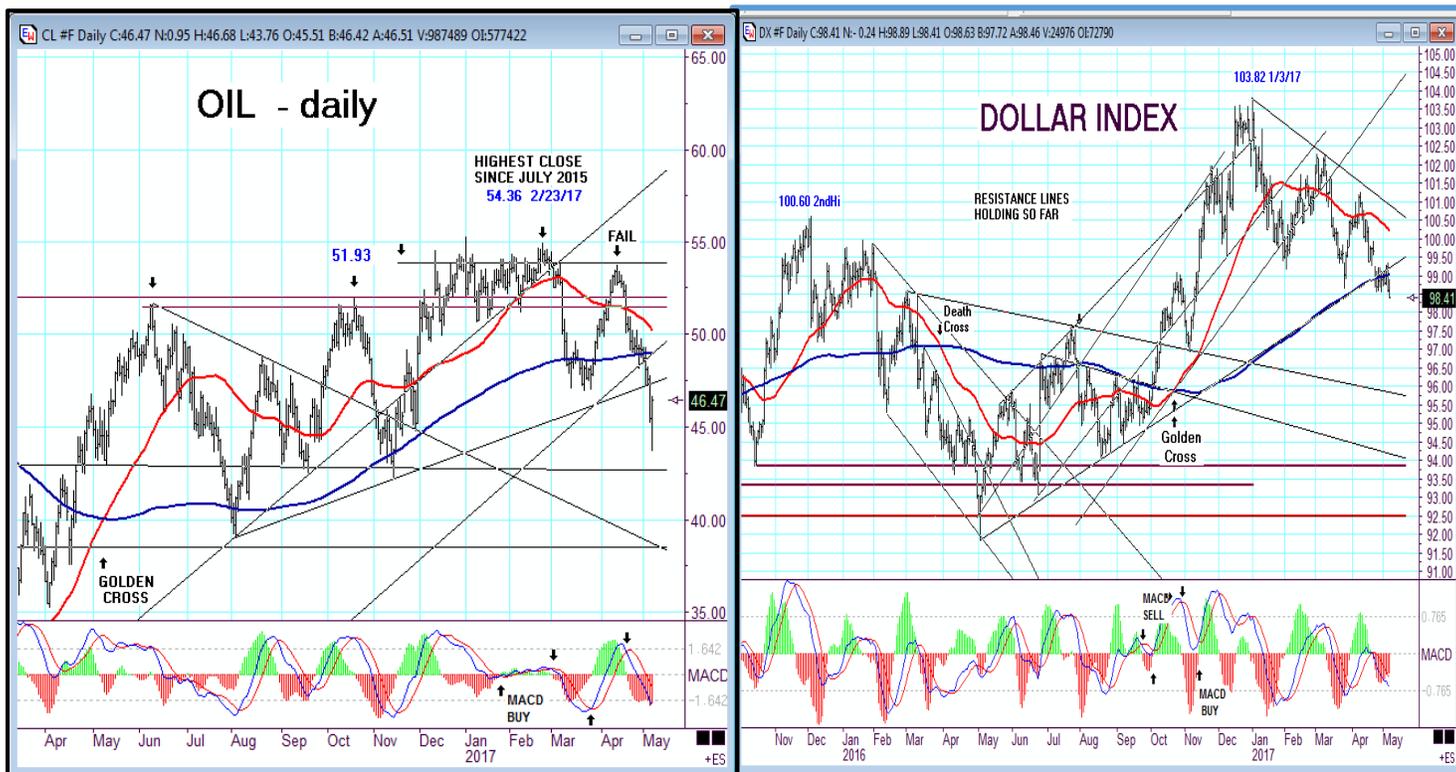
Bespoke Investment Group mentions that through Thursday of last week, the S&P500 had gone seven days without a 0.2% move in either direction. And that was only the fifth time in history that had happened. There are many other records being regularly broken related to this phenomenon. One popular one is among the watchers/traders of the \$VIX. The current quality of our markets, especially with lack of movement, the problem arises with lack of profits. The “Hedgies” are supposed to be the smartest guys in the room. Yet they are nearly all in trouble with client withdrawals. Little movement=Little profits.

The ONLY times Western markets have made more than piddling corrective moves in recent years have been two associated with sudden Currency Changes (Swiss Franc vs. Euro and devaluation of the Yuan), and two associated with unexpected outcomes of elections (Brexit and Trump). Late evening of the Trump win, overnight indices were down their maximum 5% - and that was within 2-3 hours. The Swiss unhooking from the Euro engendered a much greater move in much less time. The Franc/Euro example leapt several times the required margin in a matter of minutes. We are certain that many bankruptcies from that event have yet to play out!

The NASDAQ and NDX have been leading the charge as noted in our headline above. However, a handful of the hottest internet stocks, FAANG, (Facebook, Apple, Amazon, Netflix and Google) are accounting for an outsized proportion of the gains. That has always been a signal that danger may be lurking for its own opportunity as non-confirmations are growing within the Major Indices relative to the actions of a majority of their components.

The thirty-year bond (chart at bottom right of the above charts) has stabilized mostly just above its 200-Day MA and a Buy on the MACD has not amounted to much in the way of price appreciation.

“A new scientific truth does not triumph by convincing its opponents and making them see the light but rather because its opponents eventually die and a new generation grows up that is familiar with it.” – Dr. Max Planck - Originator of Quantum Theory



OIL FAILED AT PREVIOUS HIGH and TANKS! - USDOLLAR INDEX ALSO SLIPS!

The OIL chart (above left) shows an attempt to make a new high which fell short of the recent highs and collapsed about ten dollars before recovering sharply Friday afternoon. That did some rather serious damage to any forming pattern of higher lows and throws doubt that even the mid-forties might not hold. This is happening in a seasonal period of strength as summer driving trips tend to support gasoline consumption. If the 42.5 level cracks, 38 and then 35 could be in the picture. The old lows at 26 could be tested.

COMMODITIES in general have been weaker than usual, breaking the pattern of CRB closes above 180 for the past year. China has been responsible lately as their own problems have led to pulling back from their habitual commodity accumulations. Dr. COPPER has drifted lower; signaling possible weakening economic activity while the OIL COMPLEX has shown great weakness and SILVER has been hit harder than GOLD which is also down but not violating critical supports.

DOLLAR INDEX HAS BROKEN ITS 200-DAY MA and AN IMPORTANT YEAR LONG TRENDLINE!

The 200-Day MA of the DOLLAR INDEX (DX) has been rising coincident with a yearlong intermediate trendline. We thought that combination would render a strong support. And indeed, a decline near it resulted in a sharp rally back above its 200-Day MA from late March to early April. With those support lines giving way a couple of weeks ago, we expected an immediate continuation lower. Oddly, prices hung around below the indicated support lines for 9-10 days.

Last Wednesday, a late spike into higher ground put in a close above the entire stabilizing formation. But alas, it was probably a manipulated event, an attempt to show more strength than was actually present. Thursday, prices dipped all the way back and closed at the bottom of the developing trading range. Friday it broke to a new multi-month low and closed there. Worst case scenario! Yet tonight (writing Sunday evening) it made a slightly lower low and rallied into the plus column, but not by much. Still, we must consider this weaker than expected action could mean something more in International Markets, and the burden of proof lies with the Dollar Bulls.

”However, for now, with the French presidential election all but decided following the debate between Ms. Le Pen and Mr. Macron Wednesday evening, the EUR has rallied as the worst fears of a collapsing European experiment have been put to bed... for the moment anyway. In the end Mr. Macron shall fail at his job for he won’t have a working majority... or even a working minority... in the French Parliament to effect the reforms he has talked about so often on the campaign trail. In the end, Macron will suffer as did Mr. Hollande, as did Mr. Sarkozy and as is Mr. Trump here in the States. However for now there is a brief bit of joy...or perhaps it is more properly to be seen as a brief bit of relief... in Europe regarding the political situation there and the EUR’s rallied as a result. It won’t for long:” Dennis Gartman - The Gartman Letter L.C.

GOLD (weekly chart at right) has not been able to break above its long-term downtrend line from the 2011 top above 1900. Yet, it has not broken its late 2015 low around 1050 either. It has actually stabilized in a narrowing triangular formation. A close above 1300 or below 1150 could determine the next directional trajectory. The MACD momentum indicator suggests more downside testing before a final decision is arrived at.

Economic stagnation in China and currency turmoil in India, Gold's biggest markets, have left normal pricing mechanisms in the lurch, resulting in a generally sideways price range since mid-2013.

We were very bullish on the Precious One upon its positive breakout above the 50-Week MA at about 1145 in early 2016, but have remained cautious on it after failing to exceed the long-term trend channel line near 1380.

We shall continue in our relatively dormant state until we see more decisive technical activity, always keeping an insurance position for basic survival purposes.

“COMMODITY PRICES HAVE QUITE LITERALLY COLLAPSED as the average of the two broad commodity market indices we mark here each day has fallen by the most it has fallen in our memory... we cannot ever recall this average having fallen by more than 2%. To see it fall by 3.4% is almost unimaginable.” - Dennis Gartman



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

- FEB 26 = Solar Eclipse at 8Pisces12, Mars conjoins Uranus opposing Jupiter = This one could get very ugly if one is not circumspect. +/-6 Months
- MAR 20 = Vernal Equinox – Sun enters Aries, Moon joins Saturn, then enters Capricorn, then squares Sun at zero Aries + 3 Months
- APR 5 = Saturn goes Retrograde until August 25 = This period clearly signifies fewer border crossings around the world! Releases some limitations.
- APR 15 = Venus returns to Direct motion = Venus behind the Sun from March 25 considered warlike by Mayans.
- MAY 3 = Mercury returns to direct motion. Begin to move toward a return to active life, but slowly, it takes time to get moving faster.
- MAY 6 = Mars semi-square (45 deg) to Uranus = An unexpected lightning bolt! Energetic, explosive, earthquake, volcano, accidents.
- MAY 9-10 = Sun trine Pluto Tuesday, Full Moon Wednesday = “Obeying his conscience, a soldier resists orders.” Sabian symbol.
- MAY 17 = Jupiter quincunx (150) to Neptune = Probable rally high in Metals, Greater Inflationary expectations. “Inclination to speculation & waste”
- MAY 19 = Saturn trine Uranus = “Difficult but successful battles in life for the purpose of overcoming a dangerous situation.” (Ebertin quotes)
- MAY 25 = New Moon- Sabian image=“A radical magazine or publication, asking for action, displays a sensational front page”
- MAY 29 = Next CP newsletter publication = Mars opposition Saturn = “Obstacles, delays or authority pushes back. May be bitter, critical.” Dell
- JUN 9 = Full Moon, Jupiter Direct Station, Venus sextiles Mars all early morning = We think it should be a very positive early portion of day.
- JUN 16 = Neptune turns to Retrograde movement. Option Expiry. A strange and possibly mystical day. Not objective, or fair. Resentments.

ATTENTION: The CP newsletters are most often emailed on 1st Mondays of months. Next CP will be available on Monday MAY 29.

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