CRAWFORD Perspectives

July 31, 2017 Vol. 17/08

## MOST POWERFUL ASTRO-EVENT THIS YEAR!

The much heralded Great American Total Solar Eclipse crosses our entire country on August 21, 2017 and will most certainly affect the United States as much or more than any other nation. The possible exceptions would be countries whose natal (birth) charts are closely aspected by this Eclipse Point! The last time a similar eclipse crossed the US was in 1918.

We would also expect that nations who are already experiencing highly chaotic situations to maximize their levels of chaos within 10-17 days of the Eclipse with reverberations as transiting aspects to the Eclipse Point are encountered down the road.

For instance, there was a Solar Eclipse on the Summer solstice in 2001 followed by a Lunar Eclipse on July 5. Now, July 4 is the birthday of the US and July 6 is the birthday of President George Bush, and we wrote: SEP 7-8 When Mars (planet of War) comes up to that Eclipse Point, it will result in "Leading us to War!" And indeed it did! George Bush came on TV the evening of 9/11 and said: "We are at War!" (We missed by 3 days)!

Last month we mentioned that the Solar Eclipse that crossed Russia entirely preceded their attack on Georgia by just a hand full of days. There is definitely some chance that the War option will once more explode upon the scene.

Further hits to this new Eclipse Point occur during the last week of August, September 8, October 10 & 25, November 4-9 & 25-28, and December 20/21 and the last week beginning with the 25th! A contact on December 17 could be an UP market or potentially a top?!

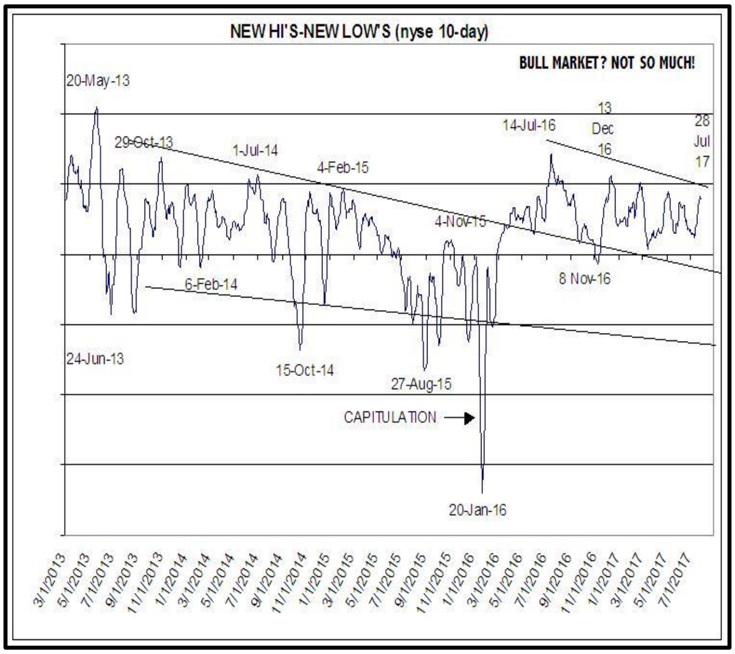
In fact, we are quite Bullish into early December. The question is: where would the really strong rally begin?

# VITAL SIGNS

**SHORTED 100% DJIA or Equivalent**
**Close June 2 = 21,206.29**
**STOP of 3.5% @ 21,948.51 Close ONLY!**

**SHORT 100% SPX or Equivalent**
**Close June 2 = 2439.07**
**STOP 3.5% @ 2524.44 Close ONLY!**

**ALL OUR STOPS ARE CLOSE ONLY**




We are inclined to make up our mind somewhat beyond the end of the heavy duty Eclipse period, so we have planned our next CP newsletter for Tuesday, September 5, the day after Labor Day and the exact day Mercury returns to direct motion.

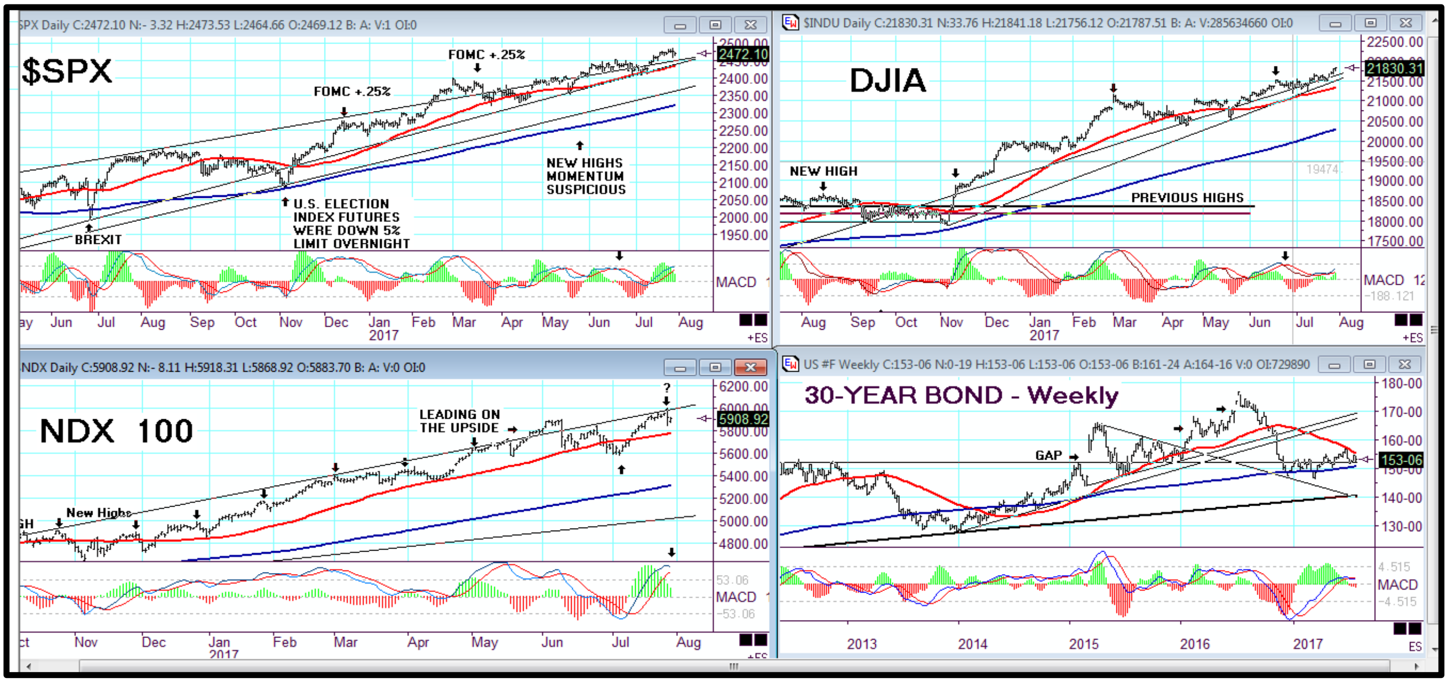
"There may be some downside coming this next month or two, but we are looking for a likely higher high during the December – January time frame. We will re-enter the real dangerous period of the Mars-Uranus Crash Cycle on or about December 2, which will remain in effect for several months."

The final push UP into December we expect to be an extremely sharp one and it will likely present us with over-whelming evidence of technically and sentimentally extended conditions, several of which have been lacking previously, despite all time record signals in one and another recently.

Our opinion: Markets remain under tight control, until they aren't. What must eventuate to cause such an outcome? Those who have sought control over us have been advancing their interests. They did not expect a Trump to undo their preferences. He is hated with a terrible passion. The people, having no clue as to the meaning of developments, are falling for the propaganda lines constantly barraging them from every side.

We will possibly see much worse economic and market developments in order to confuse the public and drive them to make choices not in their best interests, in the long run, for tighter and tighter controls by government, as with Socialist and Communist governments arising from the devastating effects of the Great Depression.

Our suspicion is that the illusion of control will break apart sometime before the 2018 elections. For now, markets my follow the path of Spring 1929, where they broke, then higher!




## WILL WE GET THE DIP BEFORE THE SHARP RISE?!

To start with the longer term, in early July the Dow Transportation Index re-confirmed the Dow Theory Uptrend by making a new high above its March 1 peak. The last new high took place in that index on July 14, from which a dip of about 8% took place into last Thursday, breaking the 50-Day Moving Average but stabilizing above the 200-Day MA (not shown). The rapidity of the decline is probably important as the amount, having taken place in a mere nine trading days.

Last week, under the duress of not so great 'tech companies" earnings reports, the NDX (NASDAQ 100) made a new high and then dropped suddenly by 2.5% in three hours! It continued lower about 1.3% Friday but did not make a lower low. Now it all depends on the near-term continuations. If we see the Major Indices here beginning to break their 50-Day Ma's and then the Moving Averages themselves flattening out, that would be a sign of further possible deterioration.

The process here of making a new high in both the Dow Transports and the NDX high flyers, and then falling back hard on the short term, is NOT a good sign for the market's overall health, and may be indicative of nervous holders who may run out on any moderately significant but negative news event. Especially during this Eclipse month, along with the Retrograde Mercury, the probabilities for an unexpected volatility event are maximized for this period. It is altogether possible that it could be a Geopolitical event or a political one here at home that could act as trigger. Our opinion is that the markets are tightly controlled, having noticed that all corrections of greater than 'minimal' have required sudden shocking news to precipitate.

We mentioned here last month that we might expect a 4.5-8.5% corrective phase now or a bit later, during the summer heat. And we placed the first level of short positions in both SPX and DJIA (on page one). We have noticed over many years that there is a strong tendency for a decline to begin in a new calendar quarter, averaging about the 18$^{th}$-19$^{th}$ calendar day during the first month. It could be a short-term, intermediate or long-term top, but it is relatively consistent. As for market action, we continue to expect a higher high after some further corrective action during this summer, with a higher high during the December-January time frame.

We now have the **30-Year BOND** (chart at bottom right of the above charts) trapped between a declining 50-Week MA (red line) and a rising 200-Week MA (blue line). This pincer-type movement will force a decision relatively soon as it MUST break Up or break Down, as the Ma's will come to a crossing point. If the break takes place on higher volume and momentum, it would improve the reliability of the breakout. This is particularly critical to the next leg of long-term Rates.

**"Short volatility strategies have become more popular since 2009, when the Federal Reserve and other central banks began supporting global markets after the financial crisis. Since then, stock market declines have been infrequent, and equity volatility has evaporated. Over the past year, selling one-month VIX futures yielded a 199% total return, versus 17% for the S&P500, according to Goldman Sachs research.**

**Joe Aiken, co-manager of hedge fund Malachite says that if something happened overnight that caused a sharp stock market decline, it could trigger a VIX 'super spike' with potentially dire effects." Steven M. Sears in *BARRONs.***


**<u>THESE WEEKLY CHARTS SHOW PATTERNS NOT NECESSARILY VISIBLE IN THE DAILIES!</u>**

The **TNX 10-YEAR BOND RATE (**chart above left) shows that, despite that the FED did raise rates another .25%, that these market rates have been drifting lower and seem lucky to be consolidating just above the 200-Day Moving Average and also above the long-term downtrend channel line. Previous attempts to turn rates higher in 2006 and 2007 failed abjectly in the face of the mortgage debt market collapse which preceded the stock market debacle.

It is very odd that the 3-month Bill Rates have been rising with the FED changes, but as we have continued to predict, Long Rates have barely moved, and have drifted lower after rising initially in late 2016. The FED has failed in its stated goal of 2% Inflation. As of 2008, the Baby Boomers massive population cohort have begun to retire and draw Social Security, to the point that there is now a net outflow from the Trust Funds which will worsen every year for many years. The people are choking on Debt and if rates continue to rise much more, many people, companies, institutions, cities and states will be thrown into bankruptcy.

Considering that the best predictor of recessions has been Yield Curve Inversion, yet last 5 recessions in Japan, there were none:

"If, theoretically, the FED could not raise the funds rate past 1.25% or 1.50%, can we reasonably expect inversion [of the yield curve] to still be our recession warning? While we may not be Japan, I am curious to see whether worldwide central bank control diminishes the predictive value of the yield curve. Or maybe a 50 to 75 basis-point spread is the new version of inversion at fractional rates." Bob Germano, Morganville, N.J. To the Editor (BARRONs)

**<u>DOLLAR INDEX IS FINDING SUPPORT AT ITS 200-WEEK MA and AT PREVIOUS HIGHS & LOWS AT 92!</u>**

Last month we wrote: "The DOLLAR INDEX (DX) rose to an old resistance level (line) which stopped the advance for nearly two years. Then it broke up through that to another old resistance level around 104, which stopped it cold, and perhaps permanently (at least for a period of years). It seems to be headed down to a point of very strong support around 92 which is being bolstered by the rising 200-Week MA (rising blue line). That should at least give it a good possibility for a bounce, even if it continues lower later."

The BIGGEST QUESTION on the horizon for Rates AND the DOLLAR involves the DEBT Ceiling. The U.S. ran out of money a few months back, and current accounts have been kept current by that scientific accounting procedure called FINAGLING! The Finagling is estimated to run out in early to mid-October, as we begin the next Federal Fiscal Year. The bitterness in Washington is only getting worse, and the battle lines are coming down to WHO is GOING TO JAIL?

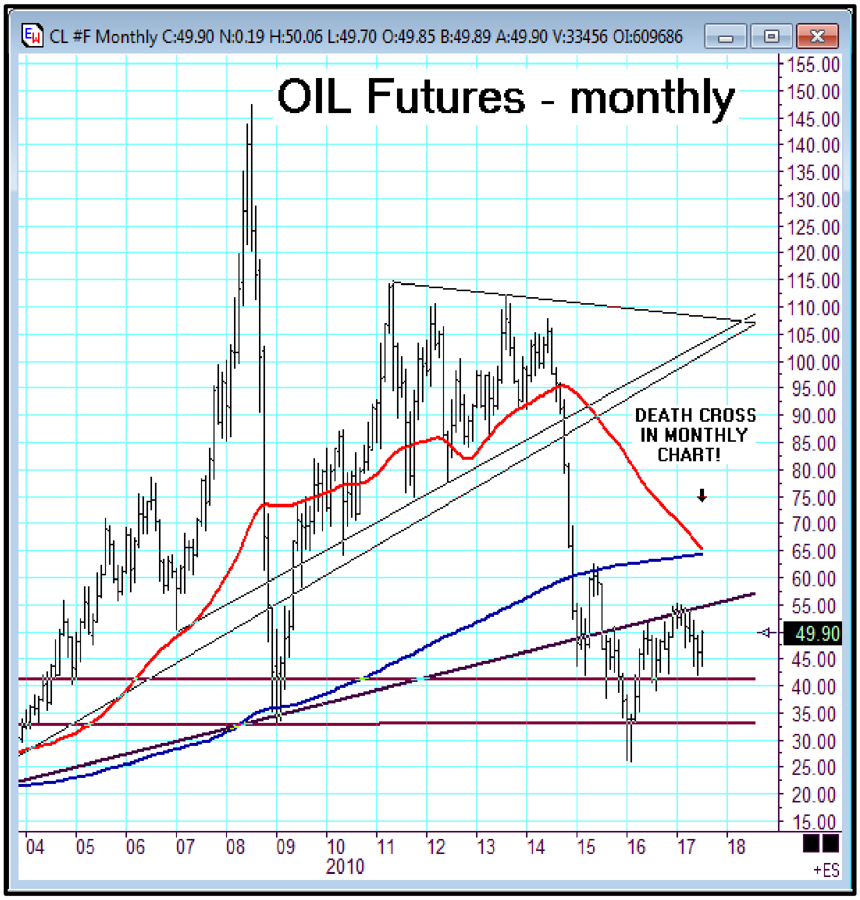
**"Stop listening to the bombastic loudmouths on the radio, television, and the internet. To hell with them! They don't want anything done for the public good." Republican Senator John McCain [Guess that depends on your definition of public good]**

**OIL** (monthly chart at right) has been attempting to build a base for the last three years. It appears to be at it still. We thought we would show you this chart as it will soon execute a DEATH CROSS! We have literally NO experience evaluating the really Long Term Moving Averages on a monthly chart. We did analyze monthly charts prior to the Crash of 1962 and also found the charts for the late 1920's, but they did not contain anything but the monthly line bars. That was enough!

If it actually means anything, it seems indicative that Deflation is winning in the Long Term. To our mind, that MUST have to do with worry about China's ability keep buying the whole world's commodities. They are stuck with huge quantities of DEBT as is just about everyone else.

When the government's of the world are talking about saving us from Climate Change, they are talking about limiting the use of fossil fuels. So, where does that leave the price of OIL? What will be the price of cars when individuals no longer own them? Cuts the enjoyment of a drive in the country, doesn't it?

As we wrote last time: "The world has not yet decided whether we should indulge in a hyper-inflation or, as Japan, suffer a decade or so of debilitating deflation. As things look right now, it appears the Deflation scenario is more potent on the near term." And on the long term, as well.




**The CRB Index** broke down below long term support at 180, and is back above it now, in an attempt to turn things around.
**SILVER and GOLD** are continuing to develop lower highs and lower lows, and must break that pattern in order to turn themselves.
**EURO** has returned to 1.18 U$D, highest in a long while as European Union folk seem to have more confidence.

## <u>ASTRONOMIC ACTIVITY</u> – (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
APR 5 = Saturn goes Retrograde until August 25 = This period clearly signifies fewer border crossings around the world! Releases some limitations.
JUL 26-28 = More and more hostility and war – More than posturing!
AUG 3-4 = Uranus Retrograde Station; Jupiter square Pluto = An unusual shot of volatility – unusual news. Bankruptcies?!
AUG 7 = Full Moon in Aquarius = A Partial Lunar Eclipse. May roil emotions and markets Monday.
AUG 11 = Uranus semi-square (45 deg) Neptune = Sudden change throws a monkey wrench into a boiling mixture. Avoid addictives.
AUG 12 = Mercury goes Retrograde this evening until September 5. The usual cautions, only moreso, with the Eclipses and all.
AUG 15-16 = Both Venus and Mars attack Pluto (or vice versa)- "Covert or offensive plans make take a war to balance things out." (Dell)
AUG 21 = TOTAL SOLAR ECLIPSE CROSSES the U.S. = Biggest deal in the sky this Year! Startlingly Powerful!!
AUG 24 = Four negative/hostile planetary pairs – If markets don't get hit today, when will they? Do NO)T expect plans to work out now!
AUG 24 = Saturn returns to Direct motion, bringing more stability but also more limitation. Practice responsibility; obey the rules.
AUG 28 = Mercury/Pluto=Coercion, pressure tactics, unusual negative news.
AUG 31 = Jupiter parallel Neptune = Prices tend to be inflated now – no big purchases advised. Maybe do a bit of light selling.
SEP 5 = Mercury returns to Direct Motion Tuesday. Next CP newsletter should be out before NYSE opens. Mars enters Virgo.
SEP 8-9 = Pluto hostile to Venus and Mars = Forget about relationships this period. Markets, except for gold, not likely positive.

**<u>ATTENTION: The CP newsletters are most often emailed on 1st Mondays of months. Next CP will be available on Tuesday, September 5.</u>**



CRAWFORD PERSPECTIVES, - 6890 E. Sunrise Drive, Suite #70, Tucson, AZ 85750-0738 Tel. (520) 577-1158,