



BIT OF A BOUNCE? – MAYBE; NEW LOWS PROBABLE!

“The Major Stock Indices all appear to have topped out– and may well be down as we approach an exceedingly cantankerous election period! This will appear more certain if/when indices price breaks below the September lows.” Well, the DJIA is the only major index that has so far broken its September low, but all the others have narrowed the gap and could do so in very short order if they choose to do it.

Approaching the range including last month’s lows, and a bit further down if they wish to challenge their own 200-Day Moving Averages. In this range involving support trendlines and moving averages, they are likely to attempt some form of a rally, however minimal. It would be really bad form to just cut down rapidly through everything – not impossible, but possible. We are clearly NOT predicting that degree of weakness, but would not be totally surprised if it happens.

We mentioned here last month that: “Your strategy should allow for the possibility of additional downside.” That remains to be seen, but the VIX chart [below] is breaking out upside, which is confirmatory that Volatility is increasing meaningfully, and could be entering a more dangerous category. All these major indices are participating in the very long term development of huge, long-term TOPPING charts. That could mean that the Very Long Term BULL MARKET is much more likely to be coming to a more Drastic and Final ENDING! If so, after that... comes the deluge!



This VIX chart clearly emphasizes the quality of movement is shifting from relative calm to a greater relative VOLATILITY! Of course, it depends on how far it goes, and also how FAST. The market decline during quarter one this year was one of the fastest we have experienced in several years. It has been a real no-brainer that people seem quite a bit more excitable, even to say ‘jumpy,’ in these ‘Covid’ times where death hovers and ‘containment’ becomes tiresome.

We surmise that this chart breakout is warning of a severe and immediate further acceleration of equity weakness. It could very well come in the form of that earlier Spring drop, which was exceedingly rapid and destructive. These things are all coming together here with the election as a rallying point and a concentrating of emotional outpouring!

“I had observed that non-tech stocks have held up and even risen in the last month. Here is the evidence. For the first time in almost two years, the correlation between the S&P 500 and NASDAQ 100 has dropped. I have noted that the non-tech stocks in my own portfolio have held up well. This correction has been concentrated in the tech stocks.’ This is playing out. The earnings reports for the tech stocks were not negative; they simply were not better than expectations.”
Bill Meridian in CYCLES RESEARCH [September and October]



USD Finds Support on old Trendline, Resistance on Parallel

TNX Bounces out of Earlier Tight Range!

The **U.S. DOLLAR** ceases breaking to new yearly lows, and now finds resistance at its upper downtrend parallel. It is most likely associated with massive new spending brought on by the coronavirus pandemic. It does seem that various trendlines are still active as supports and resistances remain operative. The intermediate drop in the **DOLLAR** is the reason **GOLD** has been rising to new all-time highs in Dollar terms, although new highs have occurred earlier in relation to currencies other than the USD! The MACD momentum is turning up from a similar previous low.

The **TNX** has rallied significantly since the April lows were taken out, but the March lows held, and were not. Now the advance is taking on a life of its own as Rates determinedly continue the advance. The move from .50% to .75% has clearly proven itself with additional new recent highs above .86. FOMC meeting this week with announcement on Thursday paves the way for whatever they have in mind from here. These increases from the market perspective will be considered a positive if market developments are strong enough to support it – We will wait and see, as Covid issues are coming back with the colder weather.



OIL is rolling over below the 50-Day Moving Average, and this week adding the drop to below the 200-Day MA as well. Now both major MA's are pressing downward. The final nearby support point at 36.13 has broken, as have all recent lows, and price is attempting to find support at the 35 (green) support line. Below there, it could be a long way down before finding meaningful support, particularly if the Covid problem becomes more active in the cold weather.

The U.S. election tomorrow will no doubt concentrate our greater differences in ways not so easily foreseen. Interesting times – maybe not so much fun. It can still be profitable for prepared traders.

“It has been said that civilization is 24 hours and two meals away from barbarism.” - Neil Gaiman

“In wine there is wisdom, in beer there is freedom, in water there is bacteria.” - Benjamin Franklin

“**GOLD** has signalled that it may be ready to run for the money, soon. The REAL Money! It is currently in ‘consolidation mode’ and it may be there shorter or longer.” It may be a bit longer as there is plenty of room under recent action to consolidate further without harming the basic uptrend. Strong support should be available in the area of 1780-1820.

If that does not hold, a broader pull-back could be in the offing. The long-term picture seems very powerful, but the over-bought condition may require a larger partial retracement to solidify the advance.

We are convinced that the hyped up problems of Covid19 may be used to damage our entire Capitalistic economic system and move us deeper into the Socialist/Communist camp, preferred by a growing minority of mostly academics jealous of the creative achievers who generally run things.

The almost exact doubling of **GOLD** over this last four years may be traced to the belief that our worldwide economic systems have become more vulnerable due to rather extreme excesses of governments bailing out the politically connected rather than those with success in navigating free market investments.



The **CRB INDEX** of general commodity prices has been drifting a bit above and below the 150 level since mid-August; basically a flat pattern. It appears that this past week, which also started there, it dropped fairly sharply as compared to the generally quiet and sideways drift. The IBD chart shows the close at about the same lowest close within the two month range, yet not damaging the chart technically unless that low is breached meaningfully (it would take only a tiny bit more).

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

- OCT 31 = Full Moon at 8+ Taurus. Strength of Bull – Samson was the Biblical representative. Assets and income also highlighted.
- NOV 3 = Mercury returns to direct motion. Last time Mercury stationed on election, we didn't know who won for a couple of weeks!
- NOV 10 = Mercury enters Scorpio once more. Back-stabbing and verbal abuse ramps back up!
- NOV 12 = Jupiter-Pluto-Pallas conjunction = Pallas is the powerful woman warrior = Barrett?
- NOV 13 = Mars returns to direct motion. Post-Election emotions could cause more damage.
- NOV 14 = New Moon = "...initiates new perceptions of reality that will grow clearer over the days ahead." (Mountain Astrologer)
- NOV 15 = Venus squares Jupiter & Pallas and opposes Eris = Nine aspects complicate everything = Not good for love or sociability!
- NOV 17 = Mercury opposes Uranus = Today could bring an excitable disposition, quick change of thoughts and moods. Keep calm!
- NOV 19 = Venus square Saturn; Mercury opp Uranus in declination = "Difficulty in the love life, jealousy – separation." (9 planet events).
- NOV 27 = Moon exaggerates& enlarges reactions to the Venus/Uranus opposition. Could affect relationships and/or finances.
- NOV 29 = Sun semi-square Pluto = "Desire to exercise power, fanatical aspirations or tendencies, arrogance."
- NOV 30 = Monday is best for the December Crawford Perspectives newsletter.

OCT 13-NOV 3 = Mercury Retrogrades can foreshadow periods of greater danger! Stationary Direct on U.S. Election Day! Markets react?

Multitudes of planetary aspects will maximize at 9 on both November 15th and 25th = Huge energies capable of creation or destruction!

ATTENTION: The CP newsletters are usually emailed on 1st Monday of months. Next CP will be available on Monday November 30.

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