

Heavens! Stocks in for a slump

DID YOU KNOW that Jupiter and Saturn are, as the astrologers say, in the same place in the sky relative to each other?

So what, you ask? So plenty, if you play the stock market.

The two planets come together every 20 years, and that invariably leads to a slumping stock market, as well as a sliding economy.

This piece of information, for what it's worth, comes from 39-year-old Arch Crawford, who puts out an investment newsletter 10 times a year called Crawford Perspectives. And judging from Crawford's performance in calling the market, the information may be worth plenty.

Since first publishing his New York-based letter in June of 1977, Crawford, once an assistant to Merrill Lynch technical research chief Bob Farrell, has issued 10 buy and sell signals on the market. Nine of them were right on target. And on the one occasion he was



wrong, the Dow went about 40 points against him.

HE'S BEEN downright spectacular on the buy side, with all five of his signals coming within a week or 15 Dow points of the actual market bottom.

Crawford, who tracks planetary cycles [plus a series of technical indicators] in assessing the probable movement of stock prices, may very well have the second-best record in recent years for calling market turns.

His peer, and probably not by very much, is Joe Granville, the hot investment counselor from Holly Hill, Fla. Granville, in fact, praised Crawford's

work in one of his market letters.

As Crawford explains it, the meeting of Saturn and Jupiter is just one of several unfavorable planetary formations that lead him to conclude that the early 1981 rally that pushed the Dow Jones industrials above 1000 is over.

"We're not going to hit 1000 again for quite a while; the top is past," he tells me.

THE SOFT-SPOKEN Crawford says his latest planetary readings indicate that a seven-month stock market decline is in the works.

"I think we'll see the Dow 150 to 200 points lower by late July," he says.

You'll be happy to hear that Crawford—who claims he's been right 87 per cent of the time in calling month-to-month market changes since he began the letter—doesn't expect the roof to cave in immediately.

The Dow, he believes, will remain in the 900-975 trading range for the next

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EXACTLY
200
FROM
TOP
TO
BOTTOM

9 OUT OF
10 RIGHT!!!

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three to four weeks. And this is a period during which people should be selling, Crawford says, because it will immediately be followed by a break below 900.

And after that? He sees, at best, a brief rally before the Dow drifts continuously lower to its July bottom.

CRAWFORD DOESN'T address himself to any individual stocks or stock groups in his readings of planetary movements, but he notes that the next eclipse of the moon will occur Jan. 20. That's bad news for any stock (or commodity or currency, for that matter) that's had a sharp, speculative run-up in price. The reason, explains Crawford: An eclipse of the moon generally signifies the end of a speculative phase.

He recalls that in September of 1978, an eclipse of the moon also took place. And at the time, he predicted that gambling stocks had hit their peak, which is precisely what occurred.

By the way, a Jupiter-Saturn get-together, Crawford tells me, also has ominous implications for gold because it generally occurs in deflationary periods. And gold, so he predicts, could fall to around \$400 an ounce by August.

GOLD
WAS 625
EXACT →
388 LOW IN AUG.

SOME PROS SAY that any market judgment based on astrology is a fraud. But Crawford doesn't come across as a fraud or a kook. He has correlated the movements of the Dow (from 1897 through 1970) with planetary movements, and he says the reliability factor in catching the course of the stock market runs very high.

Further, he says the results of his planetary readings must be confirmed by his technical market indicators such as the number of new highs and lows, advances vs. declines, and the volatility of the most active Big Board stocks. And if there's a divergence in the findings, he'll hedge.

Right now, though, Crawford is anything but a hedger as he tells clients with a yen to buy stocks to heed the words of Twain's Pudd'nhead Wilson: "It's easier to stay out than to get out."

What do I think? Like you, I'm a skeptic when someone says sell because the stars say so. But then again here's Granville, a technical analyst, who wipes out \$40 billion worth of stock values with a sell recommendation—and goes on to explain in his latest letter that part of his bearish sentiment reflects the fact that the "rule of triplicity" is now in force.

You go figure this crazy business.