



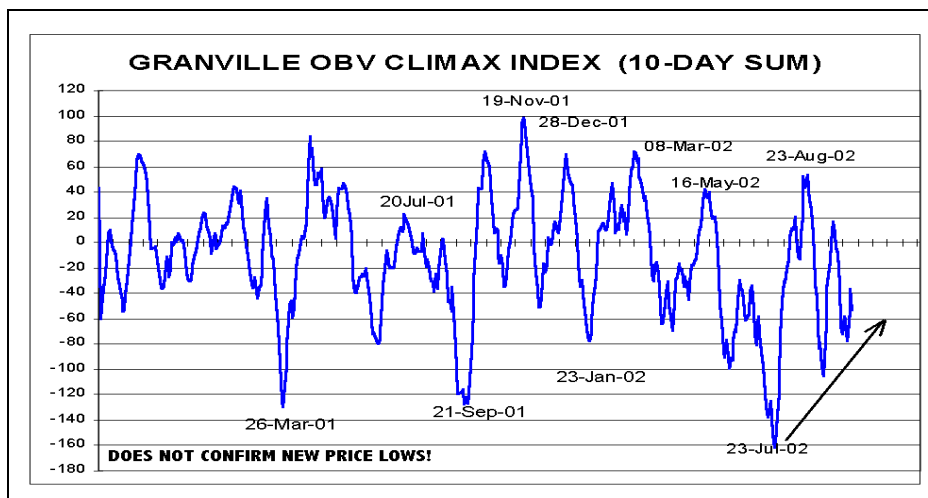
CRAWFORD *Perspectives*

October 7, 2002 Vol. 10/02

CRITICAL AND IMMEDIATE! EVERYTHING TURNS NOW OR ON THE 14TH

Our Markets must Bottom Now...or Crash! The strongest turning point for quite some time is **NOW** (as we write this on Sunday, October 06, 2002). The SuperMoon (New Moon at Perigee) represents some of the highest tidal forces of the year, and oddly, coincides with the Direct Station of Mercury; TWO major indicants for CIT (Change of Trend)! We have to allow +/- trading days for shifting gears. If the downtrend continues after that, next best bet for a low is Monday, October 14. Another possibility is that they could crash in next 2 days, and THEN turn!

The Bradley Model chart on page one of the July & Sept. issues pointed to a probable "astronomic" low on September 29, but with a "flat" period continuing into the middle of October, leaving us with a wider than normal window for the bottom to form. A Mars/Saturn square with Jupiter at midpoint, 45 degrees to both actually pinpoints the latter phase to



Monday the 14th +/- trading days. So far, Sept. 30 was the low in some Indices, and we'll see if Friday's low will hold against further onslaught. The earlier phase low includes Monday & Tuesday of this week.

There are several strange and powerful alignments over coming weeks. The next Full Moon early on Monday, Oct. 21 occurs within a day of the Direct Station of Neptune, while the following New Moon (Nov. 4) coincides with the Direct Station of Uranus! Our opinion is that Oil, Gold &/or CRB Index will react strongly on these dates. In past, two of the three make the move, the other doesn't. We will enter positions on the ones that begin to make chart break-outs as we approach those events.

Years ago, when these two planets were closer, their stations were a mere 3 days apart. As astrologers widely acknowledge that Neptune 'rules' OIL, and Oil was dropping into extreme lows at that time, we expected the low to form on the Neptune Station! However, the \$9 low hit dead on the Uranus Station. Therefore, we will be watching BOTH those dates for important turns in various commodities, especially Gold, Oil & CRB. Currencies and Interest Sensitives are also candidates during these "chaotic" attractors.

These are the kinds of events that throw off the careful calculations of the Derivatives-mavens. Those fellows define

likely ranges of a number of inter-connected trading vehicles through analysis of historical data. What they don't figure is that powerful planets blow out statistical norms. Watch for non-standard statistical excursions, leading to break-downs in market liquidity expectations, and resultant business failures! Keep a low risk-profile and watch your counter-parties credit downgrades.

John Pierpont Morgan (who shares a birth-date with your editor) kept a full-time astrologer on staff in the person of Evangeline Adams. Too bad JPM Chase has dropped that practice. Good luck to them. They are by far the largest derivatives player. Bernard Baruch was once pitching an investment to Morgan, and made the egregious error to mention that he thought it was a "good bet." Morgan roared "I never gamble" and threw Baruch out of his office! My, times have changed.

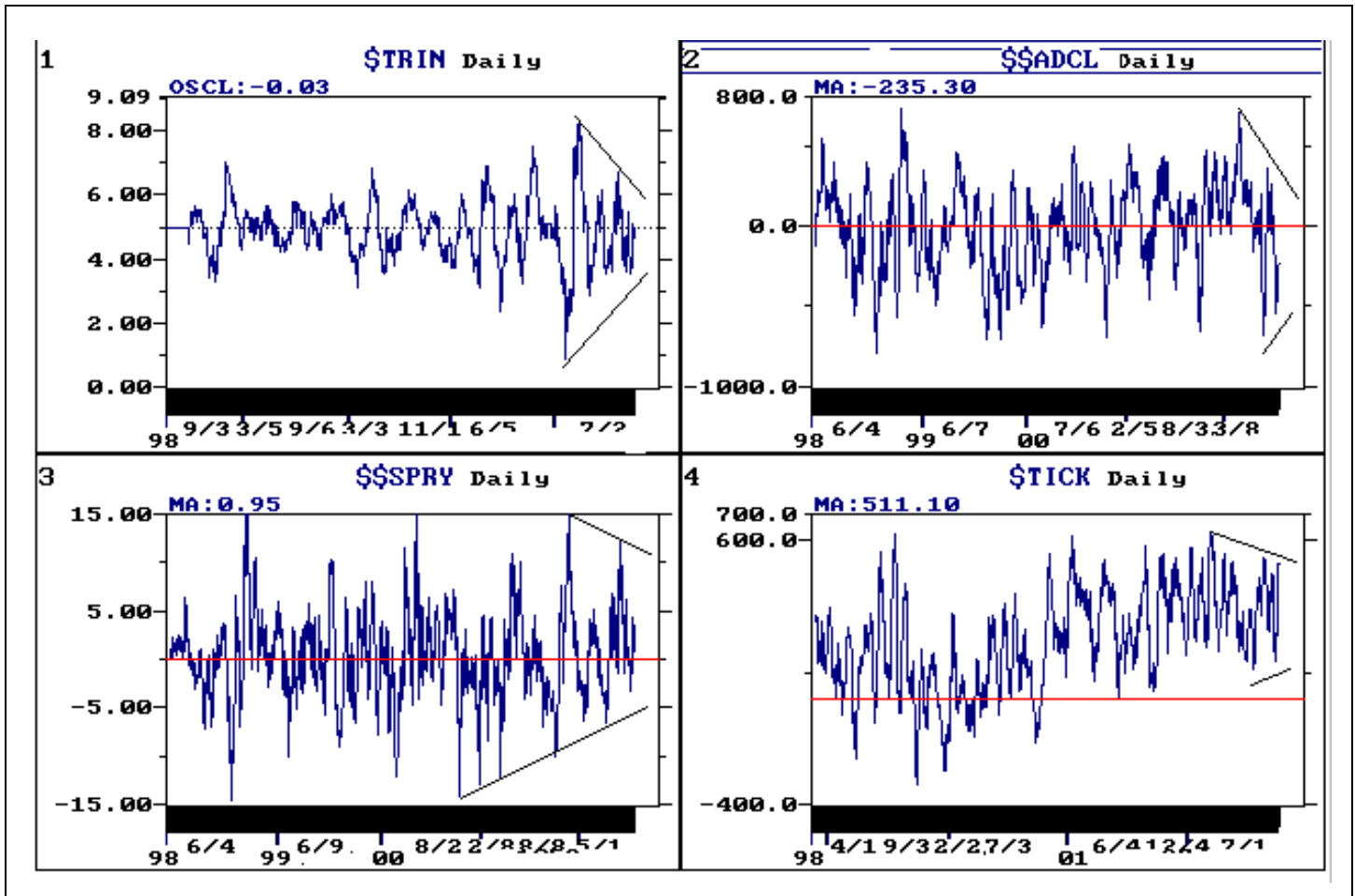
Another specific alignment takes place October 31 as a Sun/Venus conjunction squares Neptune. One of these events will take GOLD through the 330-332 resistance, and maybe Oil through \$36. Be prepared to keep a sharp eye on important chart points in whatever markets you follow. Keep entry and exit orders actively on the trading floor and don't leave your screens for more than a hot second.

For 'youse' Guys up there in Sopranos territory, look for an article on Arch in the Star-Ledger next few days!

VITAL SIGNS

COVER HALF OF YOUR SHORT POSITIONS ON TODAY'S CLOSE OR WHEN YOU GET THIS AND CANCEL THE HIGHER STOP AT 1070, LOWERING THE REMAINING STOP TO 865 (CLOSING BASIS).

FOR THOSE WHO PREFER THE DOW JONES INDUSTRIAL AVERAGE, WE SHORTED 100% AS PER THE APRIL 8 LATTER AND INCREASED TO 200% SHORT ON APRIL 23 CLOSE AT 10,071.32. COVER HALF AT CLOSE MONDAY OR WHEN YOU GET THIS AND LOWER THE STOP ON REMAINING HALF TO 8020 (CLOSING BASIS ONLY).



THREE OF THESE FOUR CONTINUE TO REGISTER HIGHER LOWS, A PLUS!!

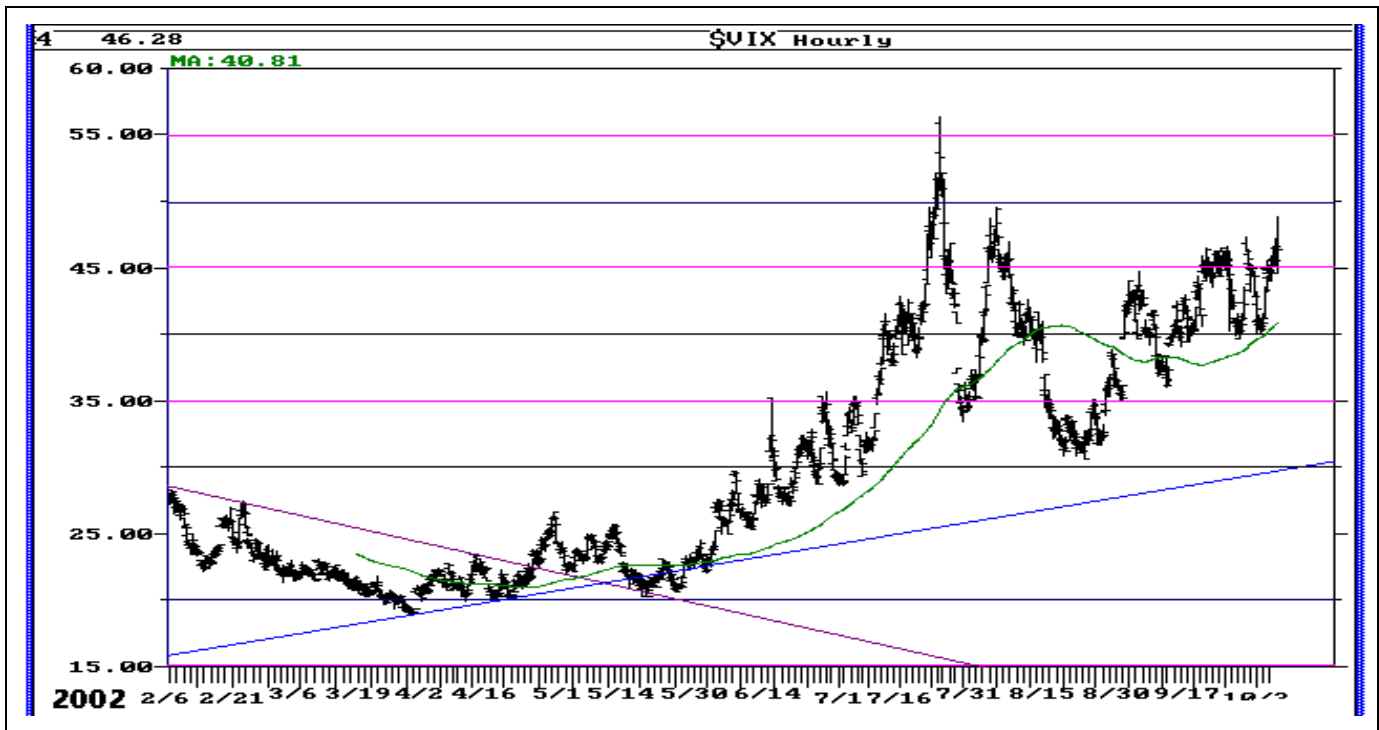
As a general rule, these indicators are positive when low and rising, weak when high and falling.

Chart (1) \$TRIN is an oscillator consisting of a 55-day moving average of the ARMS Index (TRIN) minus a 21-day moving average of the same. This oscillator is now breaking the pattern of Higher Highs AND Lower Lows, first with a higher low, and now with a slightly higher high. At this point it remains in the neutral range.

Chart (2) \$\$ADCL is a 10-day moving average of the net change in Advances-Declines (NYSE). After demonstrating an ability to remain consistently near the range highs, and looping higher in a probably exhaustive maneuver, it has now proceeded to break below several recent lows for a major Down Spike! LOW may be IN?!

Chart (3) \$\$SPRY is a measure of "smart money" action in the S&P futures. The pattern of rising bottoms in the extreme low range is encouraging, and the September 21 bottom, without breaking lower, has extended that positive pattern. The line of "rising bottoms" has never broken, despite severe Oversold readings in so many other indicators! Strange at this juncture. Without a capitulation Washout to the lower range, leaves us in doubt?! For now, we expect that washout at some later date.

Chart (4) \$TICK is Closing TICK (NYSE 10-Day). The ability to hold within a long term rising pattern, while markets have been floundering is a very likely sign that Wall Street, or possibly our government is attempting to make the market look better on the last trade of most days!! (There is some concern that this indicator, as well as TRIN, could be more easily manipulated since trading began in 1 cent increments.) Intra-Day Highs on NYSE TICK have continued to rise since late 1999 while Closing TICK has flattened out again with raised range parameters beginning with late 2000.



TRADEABLE TURN DATE LIKELY TODAY!

We are advising at least a partial covering of Short Sales entered in early January and early April of up to 200% (using Full Margin). We recommend covering Half, amounting to 100% of original equity shorts, leaving Half short, until October 14. We would also initiate Long Positions of One-half normal account value, increasing to 100% Long on October 14. We expect to hold these new positions at least into late November, and perhaps through to year-end. We tentatively plan to re-enter SHORT Positions in early January, if technical conditions confirm.

The VIX chart (above) depicts the CBOE Options Volatility Index. It has reached levels generally considered to be grossly Oversold. Notice the unusual spike above 55 on July 24. Under normal trading parameters, 30-37 has proven adequate for bottom indications. As with TRIN or ARMS Index, we prefer to see these indicators reach their maxima, and begin to give signs of topping out before a clear signal is generated, no matter what absolute level is achieved. If Mr. Market chooses to Crash, they can and will go Much Higher!

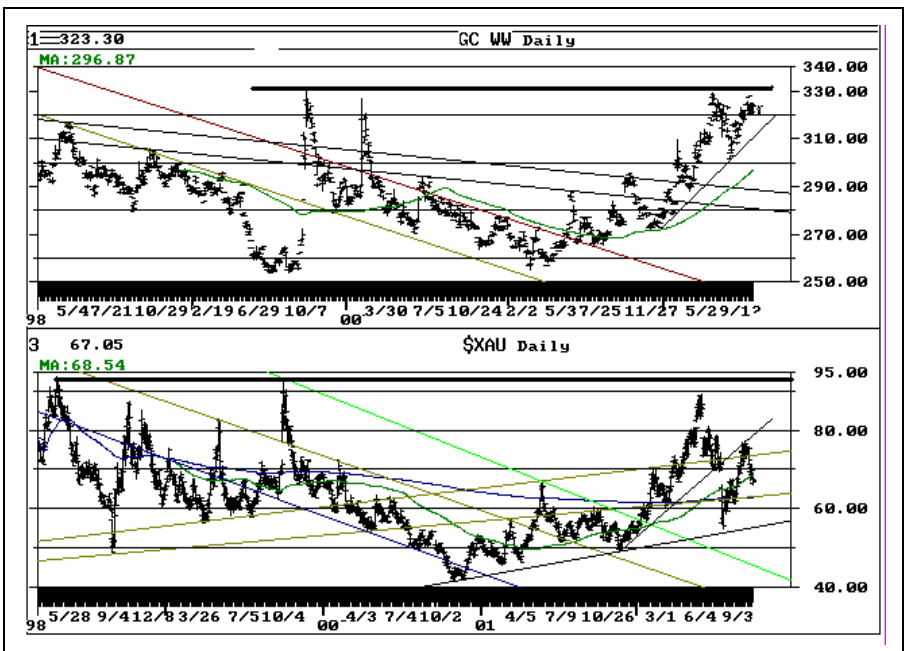
Granville's On Balance Volume Climax Indicator (page 1 chart) has also balked at confirming new Price lows in some Indices. It now registers two Higher Lows, announcing the approach of a momentum shift to the positive case.

As a trading strategy, we are taking some of our absolutely Huge Short Profits. If the market continues lower, we continue to participate. Technical Oversold conditions warrant taking some money off the table, and it is now possible, and growing more likely, for radical counter-trend surprises. You may want to begin purchases among your favored stock groups.

Our headline last month was "*THE EASY PART IS PAST*", and with volatility and risk increasing, our policy is to Reduce RISK. IN NO WAY do we believe that the BEAR MARKET is over and done. Oversold Readings, Seasonal Factors and Sentiment are leaning towards a temporary stay of execution. Even the CNBC guests are less ebullient and moving "recovery" dates farther & farther out into 2003 or even 2004. The CEO's at the Greenbriar conference last week were particularly downbeat. So, let's be Contrary and TAKE 'EM UP!!

In Memoriam: Robert Krausz, market wizard, husband of financial astrologer Jeanne Long passed away Thursday.

We said last month that **GOLD** would move up meaningfully. Although it just missed making a new high, its action was certainly laudable, and profitable to those who took our advice. Similarly with **CRB and OIL**. Not so with **Silver**, as it languishes near its year lows. Charts at right show the December **GOLD** Future (top) and the **XAU Index** (below). The metal chart appears much more dynamic than that of the stock group, not usually a positive sign. A Canadian newspaper had a story early last week, claiming that most gold shares had overstated their ore reserves quality, possibly as fraudulently as some energy companies books. ABX admitted to some quality problems and lowered estimates. We have yet to hear from the others. That could be an excuse for metals up and shares down, as we are experiencing. So less metal would make the remainder more "Precious"! The



Jupiter/Neptune opposition will continue to influence Inflation Hedge commodities, as the opposition repeats on 19 Jan. and 30 April of 2003. We would prefer to overweight metals until that completion.

Non-U.S. Currencies have continued in very narrow ranges last 2-3 months. Very long term charts indicate that the **Dollar** has a long way to go on the downside, while near term, we have continued to warn about dollar strength as Germany and Japan economies stumble through the year. Nikkei Dow is off -3.5% tonight (late Sunday night)!

The agriculturals, **Soybean Complex, Corn & Wheat**, are resting from their forward momentum last 3 weeks or so. Intermediate uptrends have not yet been violated, but may be in danger. **Sugar** is moving ahead sharply after its flat consolidation the last month or two, and **Cocoa** is still hitting 15-year highs! **Copper** and **Lumber** weakness speak poorly for our housing markets and economic outlook. Still on a BUY for commodities, generally.

ASTRONOMIC ACTIVITY

- OCT 1-3-4 = Very strange & mixed indications, mostly gloomy, serious news broken by moments of hilarity?!
- OCT 6 = Sun sextile (60) Jupiter, New Super-PG-Moon in Libra, Mercury Direct Station = Everything turning, changing!
- OCT 7 = Monday Morning – Better get up early...may be Exciting!! Big UP, or Big Down...then UP! Many Mkts Turn.
- OCT 7-8 = SUN sextiles (60 deg) Jupiter, then Pluto = Magnetic attractions = BANK Mergers??
- OCT 10-11 = Venus and Saturn Retrograde Stations, they are very close to sesqui-quadrant (135 deg) for a month! DOUR!
- OCT 14 = Mars square Saturn with Jupiter midpoint semi-square (45 deg) both! = Another bad Monday OPEN! Maybe low!
- OCT 15 = Neptune quintile (72 deg) Earth (Helio), Mars Bi-quintile (144) both! Last Chance for Low...Last BUY for rally!
- Also Mars enters Libra and squares the 2001 World-point (Solstice) Eclipse = WAR again? Major Hostilities x2 or x200m
- OCT 20-21 = Neptune Stations coincident with Full Moon = Deception. Sharp moves in GOLD, OIL &/or CRB Index!
- OCT 27-29 = Triple Trines!! Jupiter/Pluto, Mars/Neptune, & Mercury/Uranus = What could be better?? BRADLEY TOP!
- NOV 4 = Uranus Stations coincident with the New Moon = Rebellion for Independence = More moves Gold/Oil/CRB!!
- NOV 7-8 = Sun parallel Venus, both Contra-parallel Jupiter = Immoderate/Immodest Mergers! Someone may pay too much!
- NOV 13 = TWO Triple Parallels = Intense, Wild, Deceptive = USE MEDITATION, NOT MEDICATION!! Oil prices vary.
- NOV 19 = LUNAR ECLIPSE square Uranus = Double the above line for this one = stay off the streets = CAUTION!

ATTENTION: The letters are usually mailed 1st Monday. Next month, that will be Monday, November 4!
 Our twice-daily HOTLINE update is available at 10AM & 2PM EST for \$4.30 total per 2-3 minute call =1-900-73-SOLAR

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