

CRAWFORD *Perspectives*

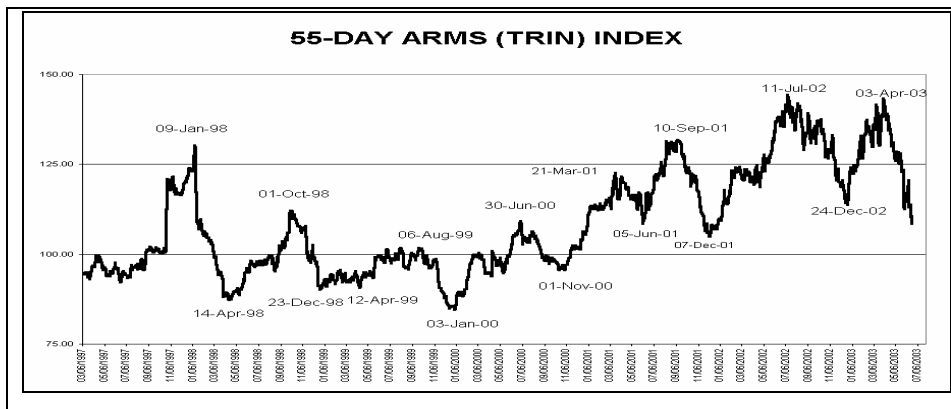
June 23, 2003 Vol. 03/07

BRADLEY SAYS TOP FORMS TODAY TO JULY 7 WILL IT BE RIGHT AGAIN?

The BRADLEY MODEL or Planetary POTENTIAL Line has had an extended period of high correlation with our major stock market indices. As one of the few 'experts' who can sometimes analyze when the Bradley will be wrong, we have noticed that large planetary formations which tend to throw it off scent, have been in the same direction as the Bradley, thereby enhancing it, rather than interfering with it.

The same goes for the NEXT one, which points DOWN from late July. Therefore, we expect that the really exceptional 18-month hot streak will continue for somewhat longer. Followers are growing on Wall Street, as nothing much else has worked worth a darn! Some subscribers have expressed concern that a great popularity will override its usefulness. Never Fear! It's NOT supposed to work this well all the time.

If it makes the cover of *BARRON'S*



Montgomery that, with 8 days up in a row, (Fat chance!) or better, *TIME* magazine, (Cold day in H...), we would become "contrary" to it ourselves! It is quite useful as it is, and often helps as part of our battery of market indicators. Another major TEST is coming up, as the Bradley turns lower, just as Wall Street sentiment has been gaining positive ground!

The Bradley is not alone in sounding a warning note. There has been marked deterioration of market momentum, by various measures, over the last two weeks. On June 6, NYSE new highs totaled 581 while new lows came to a flat zero! The 10-Day moving averages of New Highs maxxed out on June 12, as new lows minimized on that date. The drop-off in new highs has been exceedingly steep (from 581 to 94 this Friday), yet new lows have expanded only slightly. A very negative signal will be given if new lows register 3 days over 40.

Although the VIX (CBOE Option Volatility Index) has remained low for most of this rally phase, the 3-Day put/call ratio has just now dropped below .60, lowest since Jan., '02. The 55-Day MA of ARMS (TRIN) has declined to its lowest since Dec., '01. It remains fairly high from an historical standpoint, as does the VIX.

It may take several weeks to build a TOP formation. It is not likely that the market will merely turn and take a major dive, without doing some more work in this area. There have been only two instances in this half-century where such a powerful rally just as quickly lost the entire gain. One was in 1957 and the other in 1973. In both instances, the peak took several weeks to complete, and the drops

were quite startling and unexpected. We are concerned that we get a repeat from those examples as we progress through this summer and fall.

The two largest astro-events of this period occur on the New Moons of June and July. The June NM sports 4 bodies within 7 degrees, 5 within 14 degrees. This is not of itself, that close, but they are in trine aspect (120 deg) to Mars and Uranus. The TOP day in 1987 had 5 bodies in 2 1/4 degrees and Trine to Jupiter. This June 29 configuration is nowhere near as strong as the TOP before the CRASH of '87, but strong enough for cautionary concern!

The July New Moon coincides with the Retrograde Station of Mars which is squaring (90 deg) the Solar Eclipse position of May 30-31. Uranus is on the Midheaven for Washington, both squaring the coming Eclipse point of November 23. Need we mention that the Mars Station, also opposes the birth Mars of our President, which in addition is being closely approached by his secondary progressed Sun. He will be furious! He may be attacked, or attack someone else. He should be kept in the deep bunkers during this period, for his own safety, and Congress should not allow him to start another war without considerable deliberation! Mars will repeat this position Nov 5-8.

Last month, we said to SELL Half of Long positions TODAY, June 23. We advise to SELL the remainder of Longs and SHORT 100% without using margin on July 3!

Place a 5% stoploss - on close only.

VITAL SIGNS

IN MARCH, OUR POSITIONS REVERSED into 100% LONG WITHOUT USING MARGIN, ON A CLOSE ABOVE 890 VS. S&P500 AND 8100 BASIS DJIA.

INCREASED TO 200% LONG (USING FULL MARGIN) ON MAY 16.

SELL 1/2 OF POSITIONS ON JUNE 23, REMOVING THE MARGINED PORTION.

SELL THE REMAINING 1/2 MARKET-ON-CLOSE ON JULY 3, AND REVERSE TO SHORT 100% WITHOUT USING MARGIN WITH 5% STOPLOSS ON NEW POSITION.



**THE BULLISH CASE IS BEGINNING TO FALTER, MAY SOON END!
Major Indices are too far ahead of 200-Day Moving Averages; Overextended.**

Charts pictured above show (\$SPX) S&P500 Cash Index, (\$INDU) Dow Jones Industrial Average, (\$NDX) NASDAQ 100 (not COMPOSITE), and (\$COMP) NYSE Composite Index.

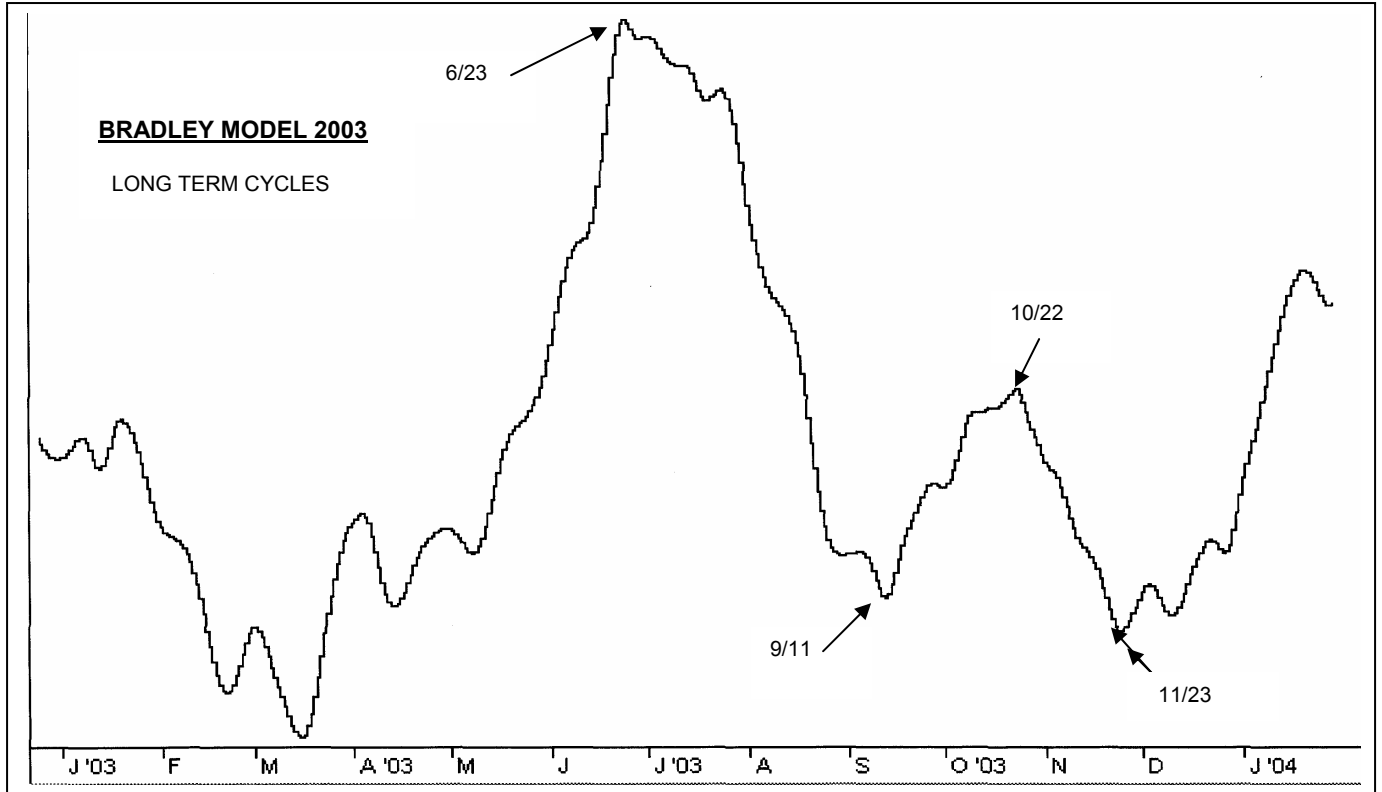
ALL have broken above their 50-Day MA's (red) and their 200-Day MA's (blue), and continued driving ahead, even where a minor corrective phase would have been considered "Normal." Now they are way past any extended rally we have seen, even in the Go-Go! Years, as internal technical measures, finally losing upside momentum, warn of exhaustion. As mentioned earlier, there may be a formation of several weeks before meaningful downside prevails. We will SELL & Short soon, more after some sort of confirmation. (lines colored ONLY in the Online version)

All four charts show break-outs above the December and January highs, and most have moved on to another higher level of Resistance. Expect more churning, with less forward motion, with the possible exception of a spike UP into end-of-quarter as money managers cover shorts and commit funds prior to issuing Quarterly reports.

MACD studies, at bottom of individual charts, are attempting to turn back DOWN! The S&P500 and the NDX have already done so. The OEX is only .04 from rendering a Sell, and the INDU is more than 2.50 from the change. Small declines from this perilous peak could quickly turn short-term negative by this and other momentum-type measures (RSI, ROC, Stochastic etc.). It will take some decline, then a 2nd later sell-off to confirm these results.

Recent overbought momentum extremes, and internal breadth characteristics, mitigate against an immediate collapse of more than shortest-term duration. It depends on the size of the TOP pattern, and degree of indicator deterioration whether we can judge if the July-October-March bottom configuration will be threatened. However, we do expect those lows will be challenged at the next seasonal ebb tide in the October-November frame.

Although the BRADLEY astro-model (next page) indicates a higher low for November (than March), the March low came at a *seasonally* strong time, while the Fall low will occur at the *seasonally* weak period, which, in our opinion, could foster a more dangerous break of those previous benchmarks. In addition, the astro-charts relative to the U. S. and Presidential births confirm much worse conditions during the seasonal negatives.



NEW SUBSCRIBERS MUST UNDERSTAND SOMETHING ABOUT BRADLEY

The **BRADLEY MODEL**, described by Donald Bradley in his 1948 booklet, *STOCK MARKET PREDICTION*, has gained quite a bit of notoriety this year for its incredible accuracy. We have mentioned the projections on CNBC on several occasions this year, and they have worked out with stunning regularity. This is quite an unusually long run. As we wrote on page one, we expect it to continue a bit, but caution is our watchword!

Bradley's **SIDEREAL POTENTIAL LINE** takes into consideration EVERY one of the classical Ptolemaic harmonic angles between any 2-planet pairs. Its strength and its weakness is that some years, it will precisely point up highs, lows and turning dates for the Major Stock Market Indices, and other years will seem a random mishmash of useless squiggles. The turning dates are the most reliable portion of the Bradley, direction, somewhat less so, and amount of move, least reliable. Sometimes a calculated high will, in reality, come about at a low in stock prices and vice versa. In other words, it's something we should keep our eyes on, but not something to bet the farm on, especially in a vacuum as in the absence of other technical confirmation from real-time data generated by the actual movements of prices in Wall Street.

NOT Included in Bradley's work are syzygies (New & Full Moons) and their special cases, the eclipses, declination factors (north-south positions, except for Mars & Venus), Heliocentric alignments and large configurations composed of multiple harmonic interactions among several planets, simultaneously. When the Force is extra-ordinarily perturbed by any of these other factors, the Bradley projection can go totally awry.

Many other astrologers will also consider aspect alignments relative to Birth Horoscopes of Companies, Nations, or bodies such as the Federal Reserve, which adds more extraneous information which may clarify or further obfuscate the analytical process. Go for the Big Picture, and do not get lost trying to figure trends day-to-day.

Let it be here noted that we consider Entry and Exit strategies, and Risk Management at least as important as projective techniques in preparing your overall Investment Campaign.

That being said, the Bradley shows an important high **TODAY**, but other strong astronomic cycles may carry further into early July. Look for a dip now, and another price SPIKE at end of quarter, into the July 4 Holiday. **DELUGE** into fall!

THE US DOLLAR INDEX CHART SHOWS AN ATTEMPT TO FORM A BOTTOM!

“...the **USD** has now suffered 9 weeks of decline, and is attempting to stabilize near current levels. As we said last month: “From this chart, a fair projection would be for the \$ to reach support 90-92, then bounce to 100-103 before continuing much lower over the long term.” And... “Then, on the potential early June Inflation Max, we will **SHORT GOLD, OIL & CRB Index** for 2-3 months!”

After a magnificent long run, the T-BONDS are correcting into the FOMC meeting announcement on Wednesday! Another cut of at least 25 basis points and better than even chance of 50 pts. seems to be ending the **Dollar** decline, for now. Someone is betting that rates will end their decline with this final adjustment. Maybe it is. Will the rest of the world finally reliquify, boosting the USD back UP? Maybe on a temporary basis, as we predicted last letter “...a bounce to 100-103 before continuing much lower over the long term.”



Last month our advice was to **SHORT 1/3 of your GOLD position on June 2-3 and 2/3 on June 17-18. To which we would add Stoploss orders at 365 for the 1st 1/3 and 384 for the 2nd 2/3 positions.**

We have continued to recommend the Stocks, BONDS and Currencies of Australia, New Zealand, Canada, and to a lesser extent Russia and South Africa (greater political risk) for the last 2 years! “The Major shift to Resources is ongoing and will probably last for years.

ASTRONOMIC ACTIVITY

- JUN 23-24 = Huge amount of planetary energy, more good than bad, but both. BRADLEY Model TOP!
- JUN 29 = New Moon at 7 Cancer, 4 bodies within 7 degrees, 5 within 14 deg. = More indications of market TOP!
- JUL 1 = Jupiter trines Pluto = Joint monies, large projects, Institutional Investors, Derivative Deals make some rich!
- JUL 3 = We’re Shorting Here! JUL 4 = Friday – U. S. Markets closed. JUL 6 = G W Bush’s birthday.
- JUL 7-8 = In Rt. Asc., the Venus/Saturn conjunction trines Uranus, while the 8th has them negative to Jupiter regular way.
- JUL 8 = Venus conjunct (0 deg), and Jupiter semi-square (45 deg) to Saturn. = A negative for business or social news.
- JUL 11 = Venus trines Mars = PARTY ON!! Perhaps a last fling, or rally attempt, more likely to fail after FM on 13th.
- JUL 13 = Full Moon = Jupiter on the Washington MC, in aspect to Sun & Moon will bring WET weather & Spending!
- JUL 18 = Option Expiry = Three minor negative aspects, Moon goes Void from 10:49amEDT = Drifting lethargy.
- JUL 28 = Mercury contra-parallel Pluto, then Mars = Violence increases, Markets Drop! Late recovery at Moon/Venus.
- JUL 29 = Early AM New Moon, then Mars Station!!! More negatives NOW and Later!
- JUL 31 = Mercury opposes, then contra-parallel Uranus = Extremely tight alignment = Bad for computers, Tech Inc.
- AUG 8 = Jupiter square Moon’s Node = Venus & Mercury negative to Neptune = Too much social life, bad for Drug Cos.
- AUG 11-12 = Full Moon with Neptune on MC for NYC = Fraud, deception, Wild Times, bad publicity for the DRUG cos.

ATTENTION: The letters are usually mailed 1st Monday. Next month’s publishing date should be August 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

Crawford Perspectives is published 12 times per year. Sources of information are believed reliable, but are in no way guaranteed. Opinions and recommendations are given with the understanding that our sophisticated investors are aware of the risks involved. Crawford Perspectives is written and published by Arch Crawford. © 2003 Arch Crawford. All Rights Reserved.

CRAWFORD PERSPECTIVES 6890 E. Sunrise Drive, Suite 120-70, Tucson, AZ 85750-0840 Tel. (520) 577-1158 FAX (520) 577-1110