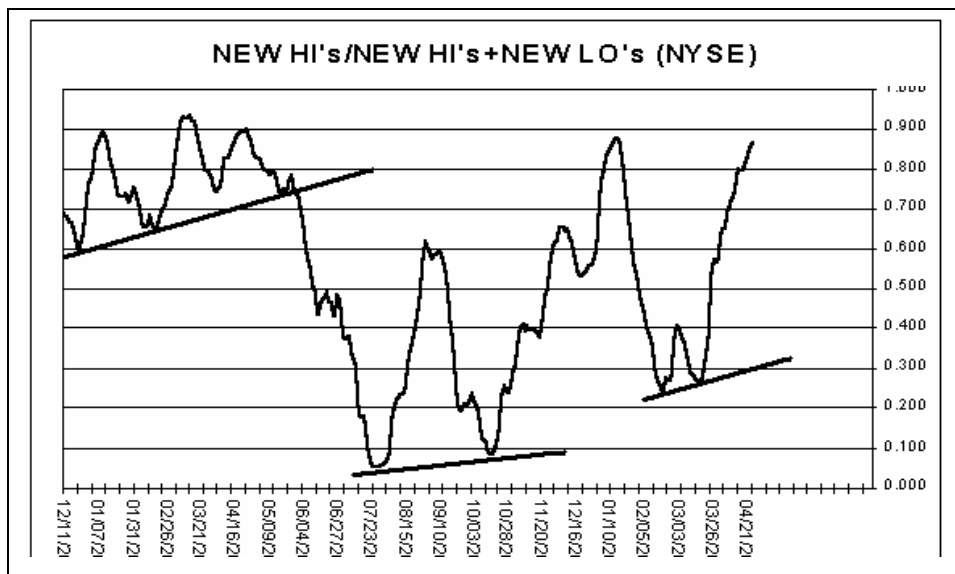


ANOTHER CRITICAL PERIOD! ECLIPSES IN MAY ADD TO CONCERNS

The Bradley Model continues to track well with market movements. It is beginning to get quite an enthusiastic following. Here is a warning contained in our *Year Ahead Forecast*: "Individual Date Multiple Planetary Alignments that tend to interfere with a smooth cyclic function can precipitate sudden large market swings in either direction, or create a new turn date not recognized by the BRADLEY. ECLIPSES add unstable/chaotic elements to the mix, keeping us all on our toes, upsetting normal pattern development, leading to the 'pulling of hair', drinking of alcohol, and the ingestion of calming prescriptions."

Eclipse series of 2-3 events, two weeks apart, occur twice a year. We are now facing the next with a Lunar Eclipse on May 15 and a Solar Eclipse on May 30, as if Global and Technical uncertainties weren't enough to have to deal with.

Most Major Indices broke up above their 200-Day Moving Averages in the last few



days and the pull-back has now left this positive status in doubt. All but the NASDAQ100 (NDX) broke back below their Exponential 200-Day MA's by Friday's close (see page 2 charts). Still holding in a "pincer" movement between 200-Day (blue) and 50-Day (red) Moving Averages. A technical failure here could presage further damage. (One can only see the colors in the emailed PDF format, not the printed version)

Although the Bradley Model (totally astronomic related) hints of a sharp rise and high on June 23 (+/-2 trading days, we are as concerned as other technical analysts about an array of near-term Overbought readings in ARMS/TRIN, Put/Call Ratio, VIX, even Granville's Net Field Trend (shown last month).

Investor's Intelligence Bullish Advisors was 51.1% 2 weeks ago, but has returned to a more Neutral 34, now only 8% above the Bears. VIX is near the lows of the past 12 months, yet are not approaching historical lows. NYSE Advance-Decline Line is acting well and New Highs/New Highs-New Lows is very strong, and could probably weather a "normal" pull-back. Dow Jones TRANsport Avg. and UTILity Avg. are making good progress, but have not surmounted their January highs. We consider the laggard INDUstrial Avg. a market positive, as it tends to lead at market Tops! The NASDAQ has been leading the majors, another positive.

While the near-term DJIA appears as an Ascending Triangle, with bullish connotation on an upward breakout, the S&P500 has a Rising-wedge pattern, usually considered a negative. A break to SPX 886, would increase chances of a further dip to 870 (38.2% of rise from bottom) or 854 (50% retrace). Comparable figures for the DJIA are about 8100 and 7970. Below those supports, we would be concerned about more downside.

For now, remain LONG without using margin, and **increase to 200% Long Using Margin on May 16, and place a 3% Stoploss order on the New positions.** Often, a Lunar Eclipse (15th) will scare a few investors out and improve the technical market internals. Considering the very strong Bradley at that time, we'll take the risk, as long as we keep protective orders close!

Traders should SHORT here next day or two for a minor corrective phase of 1-2 weeks. Not for regular newsletter subscribers, we'll try to catch that decline on our very short-term oriented Hotline Updates.

Arch Crawford will be participating in an intensive training workshop with Robert Miner, Larry Pesavento, Mark Douglas and Alan Farley May 3-6 in Scottsdale, AZ. Link to info & registration is www.tradersworkshop.com

VITAL SIGNS

IN MARCH, OUR POSITIONS WERE STOPPED OUT OF SHORTS AND REVERSED INTO 100% LONGS WITHOUT USING MARGIN ON A CLOSE ABOVE 890 vs. S&P500 AND 8100 BASIS DJIA.

WE PLACED STOPS ON THE NEW LONG POSITIONS AT 780 vs. S&P500 or 7800 vs. DJIA.

INCREASE TO 200% LONG (USING FULL MARGIN) ON MAY 16, AND PLACE A 3% STOPLOSS ORDER ON ALL NEW POSITIONS.



STRONG INNER WORKINGS SUPPORT THE BULLISH CASE AFTER PULL-BACK!!
Major Indices Holding Between 50-Day and 200-Day Moving Averages

Charts pictured above show (\$SPX) S&P500 Cash Index, (\$INDU) Dow Jones Industrial Average, (\$NDX) NASDAQ 100 (not COMPOSITE), and (\$OEX) S&P100 Optioned Stocks on CBOE.

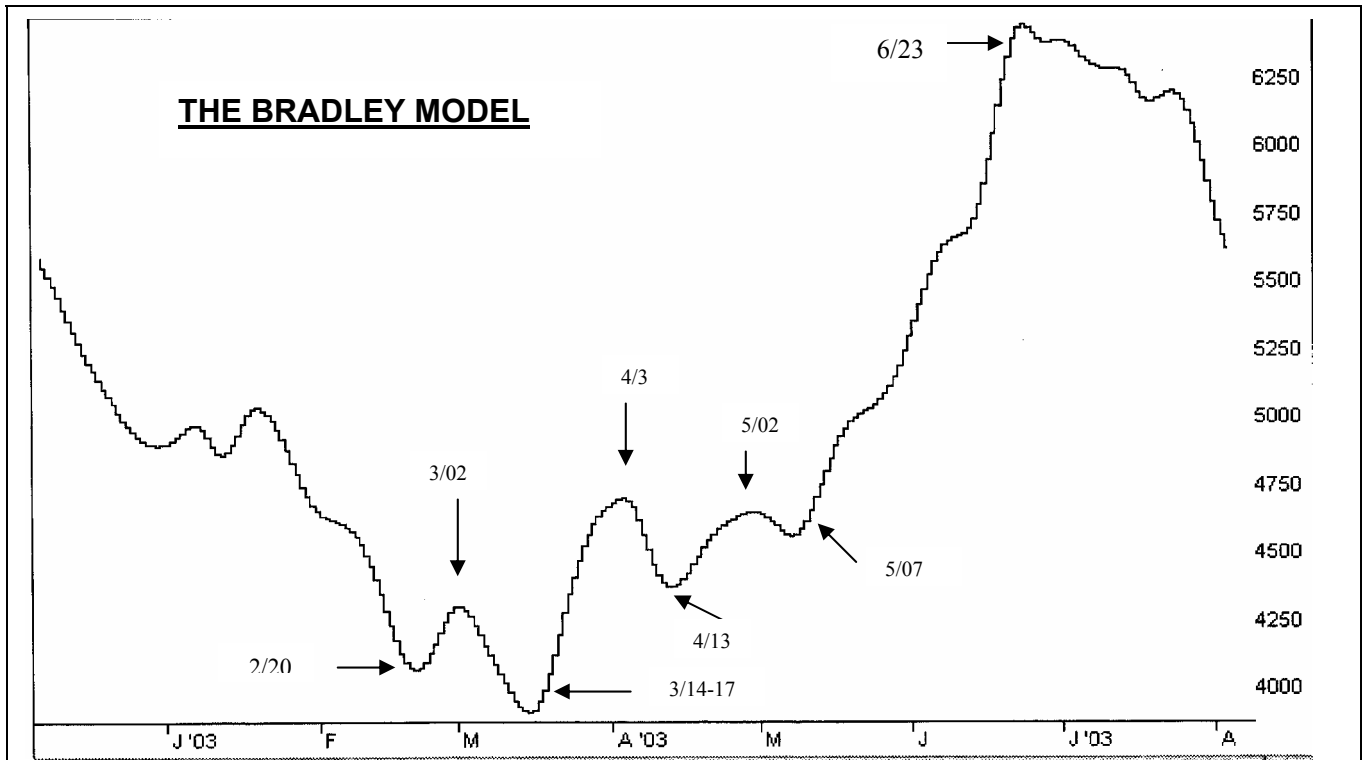
ALL have broken above their 50-Day MA's (red) and their 200-Day MA's (blue), but in recent days, have declined back below the 200-Day Avg., yet, are holding above the 50-Day, in a sort of "pincer". This "lobster-claw" shape acts similarly, and carries the same interpretations as other consolidation patterns as "Triangles" or "Flags" and actually generates them in many cases.

Therefore, a break Above = Good, or Below = Bad (That is also a subjective projection, as Most people are prone to Long investing, even against the evidence). MACD studies, at bottom of individual charts, have remained positive; that can change.

Recent Oversold technical extremes, and increased volume on this rally cast serious doubt that the July-October-March bottom configuration will be threatened. Although we expect those lows will be challenged at the next Seasonal ebb tide in the October-November time period.

Although the BRADLEY astro-Model (next page) indicates a higher Low for November (not shown), the March low came at a *Seasonally* Strong time, while the Fall low will occur at the *Seasonally* Weak period, which our interpretation hints will cause more than the suggested amount of trouble.

If you wish to know more about Technical Market Indicators, we strongly recommend the newly and Completely Revised Second Edition of *The Encyclopedia of Technical Market Indicators* by Robert W. Colby, CMT McGraw Hill, (NY, NY) 2003 \$70 This just released new edition contains a chapter on Astrological Cycles.



WE ARE MOVED TO REPEAT THESE BRADLEY MODEL CAVEATS FROM MARCH 3RD

“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. It is NOT Always thus. 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 here be 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 low on or about March 14-17, give or take 2-3 trading days, then a strong rally into mid-summer, before turning lower.”

Bradley followers are becoming more numerous as accuracy continues. Do Not be lulled into a foolish complacency!

We often lump **GOLD, OIL & CRB Index** together as they all tend to respond to the cycles of Jupiter & Neptune. "Our analysis would suggest a low around the Jupiter Direct Station on April 3 +/-3 trading days." The actual low was April 7, which was April 3 +2 trading days! That was also the Low Day in the OIL Complex! **GOLD & SILVER**, however, have held the gain, nicely, and appear to have completed bottoms, whereas, the **OIL Complex** peaked on the 21st, and have dropped sharply, retesting their early April lows.

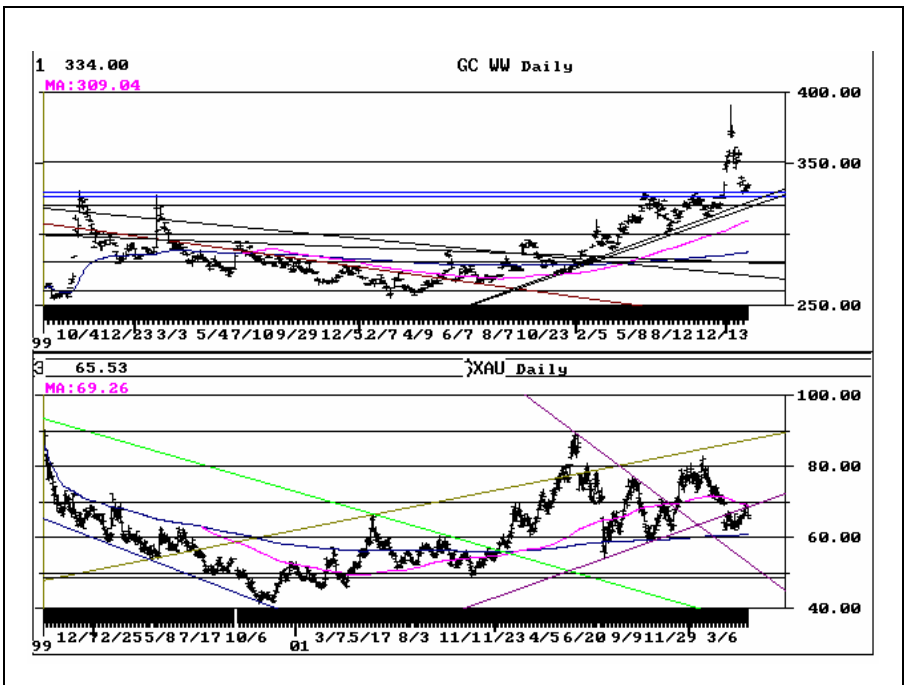
Though **OIL** may yet become a winner into expected highs on May 16, 27 and June 1-2, we would rather play with stronger cards. Our belief is that the OIL will have a good retest and begin moving higher, again, immediately. Adjust positions as the inflation hedges break through overhead resistances. Traders should keep close watch on many commodities for unusual strength into this period – and weakness afterwards.

The April 16 Full Moon did not engender the heavy sort of massive action we envisioned, **GOLD** was +6.30 over the next 2 trading days, and **OIL** had a good rally, as well.

We look for much more on the May 1-2 Full Moon square Mars and especially the Lunar Eclipse on May 15-16, and again May 26-27 and finally on June 1-2. Then, on the potential early June Inflation Max, we will **SHORT GOLD, OIL & CRB Index** for 2-3 months!

The T-BONDS are breaking Up from an "Ascending Triangle" pattern, implication of continued improvement. Now 113:13. OK unless it breaks back down to 111:00.

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, with reactions from time to time." A successful prosecution of the WAR could point to a decline in these items for the next 3-4 months, but so far, the **USD** remains under pressure and a break of the lows at 98 could precipitate a Rout! **We predict Major Hits to the US\$ near the New Moon of March 1 and the Lunar Eclipse of May 15-16.**



ASTRONOMIC ACTIVITY

APR 18-28 = Mostly positive aspects = Markets UP, Gold down. Sudden reversals on the 29th!

APR 26 = Mercury Retrograde = Get important business behind you before today – Not Direct until May 20!

MAY 1 = New Moon forms a T-square with Jupiter/Neptune near opposition, setting off GOLD & OIL again!!

In Right Ascension, New Moon is square Mars in extremely close alignment. More explosions/war/fire.

MAY 12-13 = Mercury square Mars & Neptune = News about WAR over OIL, Drugs, accident at sea, SARS.

MAY 14-15 = Most Important High Tidal Force Perigee Lunar ECLIPSE! while Mars conjoins the Neptune Station!!, Accidents at sea, Emotion over conditions of inflation, attack on currencies, earthquakes, tsunami.

MAY 16 = Most of the previous is After Market Closes (15) so we have only Option Expiration to react to all the NEWS!

MAY 20 = Direct Station of Mercury exact square to Jupiter = Oratory, Hackers, virus. Maybe TECH stocks get hit.

MAY 23 = Mercury/Jupiter square repeats as Mercury catches up with Jupiter = Legal attempts to limit/tax internet!

MAY 24 = Sun square Uranus = Computers fail, Hackers revolt against controls, computer attacks from abroad.

MAY 26-27 = Mercury/Venus conjunction squares Jupiter which is opposing Neptune = Gold, Oil CRB thru the roof!

MAY 30 = Solar Eclipse has Pluto dominating the entire East Coast = Possible imposition of Martial Law or price controls

JUN 1-2 = Final occurrence of Jupiter opposition to Neptune = End of Hyper-Inflation for now. TOPS OIL Gold & CRB.

JUN 3 = Saturn enters Cancer = Taxes, other limitations put on homeowners = Housing market collapses next 2 years!

JUN 6 = Uranus Retrograde Station = Further Hacker/Internet attacks, May be TOP in OIL in particular.

JUN 9 = Sun opposes Pluto = More governmental controls on populations. East/West? Both? Freedoms lost.

ATTENTION: The letters are usually mailed 1st Monday. Next month's publishing date is June 2!

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