

## AS I LOOK TO THE SKY THE HAIR ON MY NECK RISES!

There are indications in the planetary alignments that this month could be one of the most violent and explosive on record. At the Solar Eclipse of April 19, Pluto opposes the Uranian Hades, and that axis falls on the Ascendant-Descendant for Washington, D.C. On April 23<sup>rd</sup>, Mars in our sky will conjoin the U.S. birth Mars and on the 24<sup>th</sup>, Mars will oppose Pluto by current transit. Pluto by transit is about 3/4 of a degree from the U.S. birth Mars, and conjoins it exactly on May 24.

Bill Meridian says in *Dell Horoscope Magazine*: "The capitol could be the scene of an atrocity – keep the terrorism watch on high alert. At the very least there will be some mudslinging. This is the politics of personal destruction at its worst."

Ebertin says of Mars/Pluto combo = "Superhuman power (force, brutality). The ability to demonstrate extraordinary force & vigor,... great ambition. A person who wants to use force or compulsion at every occasion. People disabled in war. ... success through excessive effort. ... the misfortune to suffer violent assaults, injuries." To which Witte adds: Mars = Pluto/Hades = "Corrupt and degenerate and devilish plans and manipulations."

As these conditions are on the most sensitive axis for Washington, it could mean an attack on the City, itself, or, as the U.S. capitol,



could represent an attack anywhere on continental U.S. or its embassies or representatives. As interpretations have a Janus (facing in two directions) quality, the plotting may be done by Washington, and carried out against their /our enemies. It will NOT be peaceful. Let's hope it is not too deadly.

There will be a great feeling of release or relief on May 4, as Jupiter stations exactly square the U.S. Uranus, which will also be in close sextile aspect to transiting Saturn.

This sudden change from extreme fear/violence to relief may provide an opportunity in market movements! We would prefer to be SHORT stocks (general market indices) & US Dollar Index and LONG Commodities, especially Metals, Oil & CRB Index futures, going into this powerful alignment, and REVERSING those positions by Monday, May 3, prior to the Lunar Eclipse on the 4<sup>th</sup>. This is, of course, for short-term traders! If you do not trade, please protect yourself as well as you know how from these dangerous indications. (For you real gamblers out there, you can actually bet on an Alert Level increase at tradesports.com).

### VITAL SIGNS

**IN JANUARY, WE SAID TO "SHORT ONCE MORE IMMEDIATELY AND PLACE A STOP AT 10,790 BASIS DJIA OR 1146 BASIS S&P500 CASH INDEX, BOTH ON A CLOSE ONLY BASIS."**

**IN FEBRUARY, WE SAID TO RAISE THE STOP AT THIS TIME TO 10,820 ON THE DJIA. THE STOP ON THE S&P500 CASH HAD ALREADY BEEN TOUCHED ON JAN 21.**

**WE REMAIN SHORT FOR THE DJIA. SHORT THE S&P500 IF IT DIPS TO 1038 & STOP AT 1110.**

**ALL OUR STOPS ARE CLOSE ONLY!!**

April-May is the average period of the seasonal high in stock prices. However, the Eclipse series can, and often does interfere with the 'usual' patterns. We expect they will disturb it this year, and increase the likelihood of an earlier topping zone. It appears that the Top may already be in place, and any rally from current levels will accomplish a Right Shoulder in an ongoing topping process. Even if some index does make a new high, it will not carry significantly further, and will fall back in a general massive decline later this year.

The April 5 Full Moon at 16 Libra is trine (120 deg) favorable angle to Neptune, and Mars trines the Neptune on April 13. We project a trading Low in Gold, Metals, Oil & CRB Index on or between those dates – BUY them there! Mercury is Retrograde April 6-30, another disrupter of cycles. Hold off major business or personal decisions, or starting new projects until well beyond the Lunar Eclipse of May 4.

More damaging aspects to the U.S. birth chart and to our President's birth chart occur on May 24 and all through June. It will likely drop the U.S. Dollar and GWB's popularity numbers. He will probably bounce back in the fall, though. Will it be enough?

Our 212 Hotline update will change phone # April 5. **Renew now!**



### MAJOR INDICES REGISTER A SHARP BREAK IMMEDIATELY FROM RECENT HIGHS!

Charts pictured above show (\$SPX) S&P500 Cash Index, (\$INDU) Dow Jones Industrial Average, (\$NDX) NASDAQ 100 (not COMPOSITE), and (US #F) 30-Year T-BOND (price)

These Major Indices (3) have all broken their steepest uptrend channel lines more than once, and successfully retested their 50-Day Moving Averages (thin Red line), bouncing quickly after each penetration. All three made new yearly highs during the recent rally into late January to mid-February. In March, this modus operandi has failed to follow through, and critical supports have given way, with a breakdown of all 50-Day Moving Averages for the first time since March of '03! The NASDAQ 100 is the only Index that has already penetrated the 200-Day MA, with a bounce following immediately. Will the Dow INDU and SPX follow? (Color ONLY in the electronic Adobe.pdf version.)

The order of progression for Moving Averages in the process of rolling over are these: 1. Price breaks below the rising 50-Day MA; 2. The 50-Day MA turns down; 3. Price breaks below the rising 200-Day MA; 4. The 50-Day MA breaks below the rising 200-Day MA; 5. The 200-Day MA turns down. Although this order may vary slightly, it is clear that an important decline is in effect when Price is below both, the 50-Day MA below the 200-Day MA and both MA's are declining. We have just passed point 2.

Although a number of technical market indicators have reached extremes not seen since early last year, there remain several key factors which have not given a complete Oversold picture. The most oversold are derived mainly from the Dow Industrial averages. For instance, the 10-Day DJI change reached its Max-negative of -575.16 on March 15, and a retest low of -464.73 on March 22. That constitutes a positive divergence. The changes in the NYSE New-Highs vs. New Lows are nowhere near Oversold, and have not even registered a normal Sell Signal! Similarly, NYSE 10-Day Advances-Declines remain quite high, even though registering a series of Lower Highs.

According to Paul Macrae Montgomery, in his *Universal Economics* newsletter: "...several major stock indices made all-time highs on March 5<sup>th</sup>; and for so many technical indicators to become so oversold only a few days after such a high raises the possibility that we have just seen an 'oversold kick-off to the downside.' While acknowledging that possibility, we still opt for at least a short term rally here."



### **CBOE OPTION VOLATILITY INDEX (VIX) NOT YET A VALID SELL!**

The chart above shows an hourly chart of the CBOE Option Volatility Index or VIX. Market volatility, by most any measure has been at lowest levels in at least 7 years. It has just experienced a dramatic shift from below 14 to above 21, a 50% swing! Normally, this would be an indication of a potential SELL signal for the stock market, as it tends to be low at market tops and high at market bottoms. A confirmed change in direction constitutes the best signals.

We have mentioned it several times in previous months as giving a signal in conjunction with NYSE new (52-week) lows above 40 for 3-4 days in a row. In early August of 2003, these indicators gave the requisite signals for a probable downside reversal in stocks, but that signal turned out to be false, and was never confirmed by the next stage of indicator signals, the breaking of important moving averages, trendlines and support levels.

In this current strange case, the highest number of NYSE new lows has been 29, on March 22. Only the NASDAQ has had a single day of more new lows than new highs. So far, the NASDAQ has topped out earlier and sustained far more damage than other major indices. There is a tendency for the overall NASDAQ to follow the lead of the SOX index of semi-conductor stocks. Our page one chart is an hourly of the SOX index, which has clearly rolled over and has already exhibited point 5 characteristics (see description page 2). However, the daily chart (not shown) has not progressed past point 2. The SOX needs to overcome near term resistance just below 500 to regain the bullish case. A decline below 450 could lead to immediate disaster for itself and the NASDAQ market overall.

Another indicator measure using NYSE new highs & lows was developed by Gerald Appel and is constructed by the formula = (10-Day Averages of) New Highs/New Highs + New Lows. That gives a 0-100 range, which is comparable in all market years. The typical SELL signal occurs as this figure crosses below 70% after attaining higher levels. This unusual market has held this ratio up near its theoretical max at 100 for an extended period, and has only dipped to just below 89 as of this writing (no chart shown).

We can assume realistically that market indices are continuing to form reversal patterns for a more significant decline, and must demonstrate activities commensurate with mature pattern development to justify a radical shift to maximal defensive positions. The Mars-Uranus Crash Cycle does not activate until August, so trading could continue choppy for a bit.

We have remained positive on the **US Dollar Index** since its lows around 85. The heavy resistance near 92.50 would seem to limit the upside for the immediate future. Tonight, news comes from the *London Times* that Bank of Japan support for the Dollar has officially come to an end. It would seem that their 'pulling the plug' would have very deleterious effects on Dollar/Yen, if not all Dollar contracts! We reported in the Feb. CP letter that China has pulled back from much of its previous support, and that Japan had stepped in to fill a growing gap in January. Wednesday is the fiscal year-end for Japan, so policies may indeed shift after final position squaring this week. We would return to **SHORT** position on any break of 87.40 as we expect harsh declines into the June-July period.



**SILVER** is continuing to hold up better than **GOLD**, closing at 771.75 Friday, a New High! **GOLD**, at 422.20 is approaching the recent \$430 high, and could easily explode upwards above that figure. The **XAU Index** dropped from a high of 113.41 to a low at 92.78, and has now retraced about 50% of its decline at 102.54. Last month we wrote: "Could attempt new highs right away." Lagging the **SILVER**, it should 'pop' nicely if **GOLD** makes the New High as well.

**CORN, SOYBEANS and COPPER** are all remaining near recent highs, as the **CRB Index** closed back under 280 this week, that's up +9.2% so far this year! **CATTLE** ran from its 2-month average about 70 up to 78, then back to 73.

The **OIL Complex** is also retreating from recent highs, with **Heating Oil** and **Natural Gas** cutting forward momentum. **Light Sweet Crude** broke through the old benchmarks at 37.20-37.83 range, taking out stops, but fell back shortly after, rather than the expected sudden rush to \$40.00!

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 3 years (from April 5, 2001)! "The Major shift to Resources is ongoing and will probably last for years. We firmly believe coordinated attacks against US\$-denominated assets could occur again, especially around the Eclipses in April and early May, and hits to the U. S. birth chart in June."

### ASTRONOMIC ACTIVITY

- MAR 18-24 = Contains 6 indicants of reversal in 5 business days. Starts good, ends bad. Look for a decline.
- MAR 28 = Mars squares Uranus = The Unexpected, emotional, explosive. Hostile, nervous. Bad for tech stocks.
- APR 1 = HARD DOWN – Don't be an April Fool!
- APR 4 = Full Moon = Attempts to find balance may fall apart. Injustice, bad deal before the law! An arbitrage unravels!
- APR 6 = Mercury Retrogrades until April 30<sup>th</sup>. BAD for signing papers, buying electrical equipment, keeping discipline.
- APR 13 = Mars trines Neptune = Probable low & BUY point for the Gold, Silver, Oil & CRB Index. Inflation hedges.
- APR 19 = Partial Solar Eclipse! Looks Dangerous for Washington with Mars/Hades/Ascendant opposing Pluto/Descendant.
- APR 23 = Mars transits U.S. Natal Mars; APR = 24 = Mars opposes Pluto in transit sky. = EXPLOSIVE, vicious, brutal!
- APR 29 = Mercury square Uranus, Venus square Saturn, Both in HELIO! Computers down, moods depressive!
- APR 30 = Mercury Direct Station = Better to wait 'til after Lunar Eclipse May 4 to resume normal operation, sign things, etc.
- MAY 1-2 = Jupiter sextile Saturn, but Venus opposes Pluto = Monday, May 3 = Up Open, Down Day!
- MAY 4 = Mercury trines Pluto, Lunar Eclipse just after close, Jupiter Direct Station = Big UP Day! – Doesn't Last.
- May 5-7 = Neptune attacks Sun and Mars = Large rise in inflation hedges, Gold, Metals, OIL & CRB Index. A temporary high!
- MAY 24 = Pluto opposes U.S. birth Mars = Show of force against our troops or against our homeland.

**ATTENTION: The letters are usually mailed 1<sup>st</sup> Monday. In May, it will be sent on May 3!**

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