

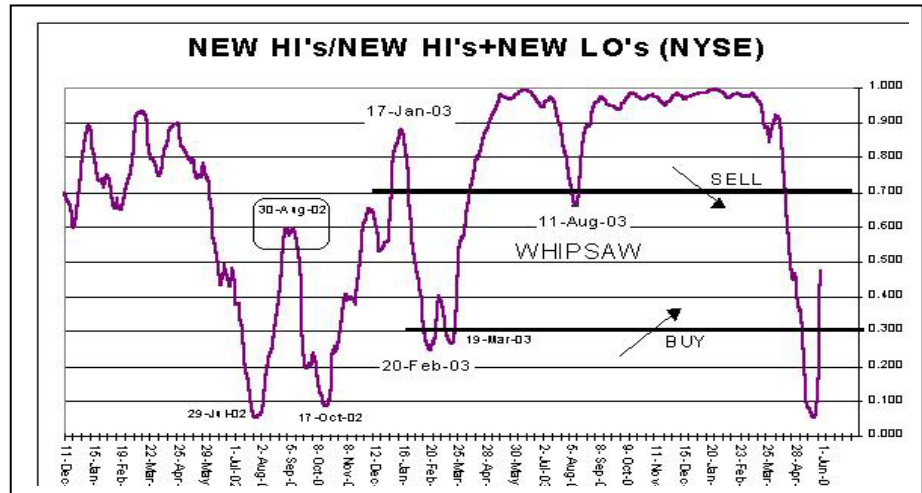
GOOD LOW WAS MAY 12, RETEST POSSIBLE!

Last month, we exhibited this same page one chart with the comment: "The change in the NYSE New Highs vs. New Lows have finally given a SELL signal by dropping below 70% (see chart) and need to go down through 30%, then recover above 30% to render a positive outlook." You can see that has been fulfilled, with a return to the 48% level, and the trend is now most likely up for the major indices.

Looking back on this same chart, you can find the initial rally from the July'02 lows which stalled out in the 60% range (see round-edge box) at the end of August'02. From there, this indicator lost nearly all of its gain, ending with a slightly higher low in October, and confirmed a better technical base from which indices could rise. We may do a repeat on this, with a retest of recent price lows in the next 2-4 weeks.

Notice that the Dow Industrials have made a series of +, -, +, - days, changing direction 10 times in 11 days. This is quite rare, and usually pinpoints an intermediate rally high. Oddly, the S&P500 and NASDAQ just completed a series of 6 up days in a row, which also has a strong tendency to time a short term high!

Our opinion therefore reflects this likelihood of a corrective, retest phase. The technical quality of any short-term downside will give us important information concerning the next potential rally. It will take some time to work off the technical positives of an extremely Oversold



Market, and it could be done quickly with an immediate continuation, or slowly in a choppy sideways pattern.

The BRADLEY Model (page 3 chart) continues to deteriorate and indicates little hope of substantial gains and considerable probability of much lower markets over the fall months. We intend to take full advantage of strong cyclical negatives in contradistinction to expected politically motivated improvements.

Our more immediate concerns relate to the horoscopic origination charts of the United States and of George Bush. On June 12, the planet of contraction, Saturn, passes over the birth Sun of the U. S., and on the 14th, over the birth Sun of our President. On June 22, Saturn forms the 90-degree angle with its birth position in the U.S. chart. Although this can lead to a position of increased responsibility, it can also bring increased opposition, limitation and sadness or depression. These passages are never considered fun and will probably top off the current trends of decreased popularity and worldwide respect.

These planetary contacts could lead to foreign attacks against the U. S. Dollar, which we sold short in the May CP letter. Last Thursday, the US Dollar Index (page 4 chart) broke sharply below a rising "pennant" trendline and its 200-Day Moving Average. We expect a precipitous decline through most of June, which will likely assist a recovery in a variety of commodities and other currencies.

The most unusual event in world astronomy this month is the passage of Venus across the face of the Sun, the first since 1882. For simulation clips and more information go to http://sunearth.gsfc.nasa.gov/sunearthday/2004/index_vthome.htm. The Hopi have a family whose job it is to have someone run the ridge at sunrise, and if this black dot is there, to immediately inform the elders. We do not possess any further detail on this, but it is not supposed to be good news. There are some interesting stories about the previous historical events online. Search "Venus transit".

The period from the Venus transit on the 8th to the Saturn conjunction to our President's birth Sun position on the 14th-15th, further intensified by an Earth-Venus-Pluto conjunction in the Heliocentric sky and Multiple Declination conjunctions and oppositions, will make for an 'interesting' news cycle, more likely in the sense of the Chinese curse! Two top astrologers opine that GWB will rally from his June/July lows sufficient to win the election. One other thinks not. It will certainly be vicious and close!

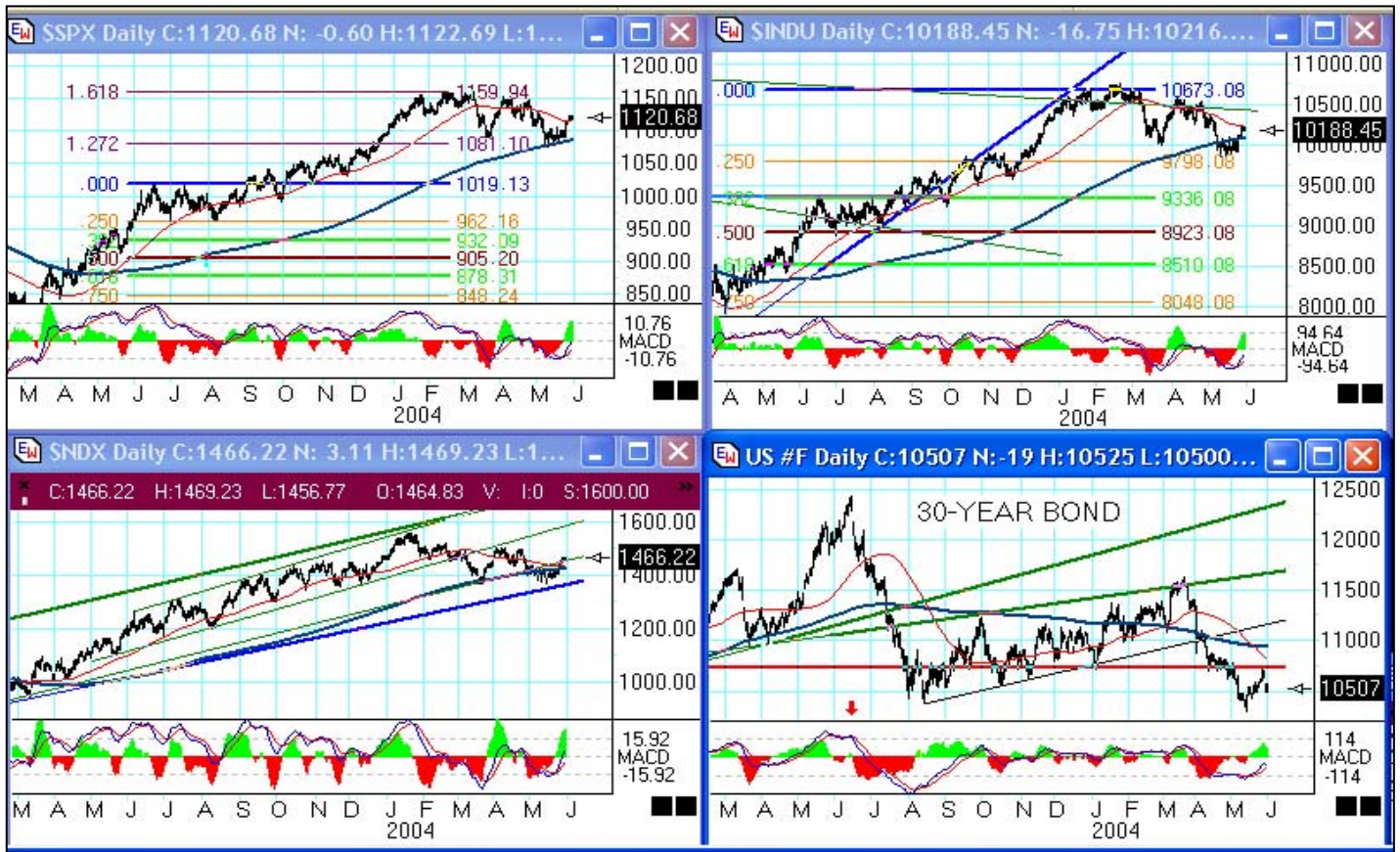
VITAL SIGNS

IN JANUARY, WE SAID TO "SHORT ONCE MORE IMMEDIATELY AND PLACE A STOP AT 10,790 BASIS DJIA ON A CLOSE ONLY BASIS."

IN FEBRUARY, WE RAISED THE STOP 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 1068 & PLACE A STOP AT 1110.

ALL OUR STOPS ARE CLOSE ONLY!!



DOES THIS RALLY IN MAJOR INDICES HAVE LEGS?!

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)

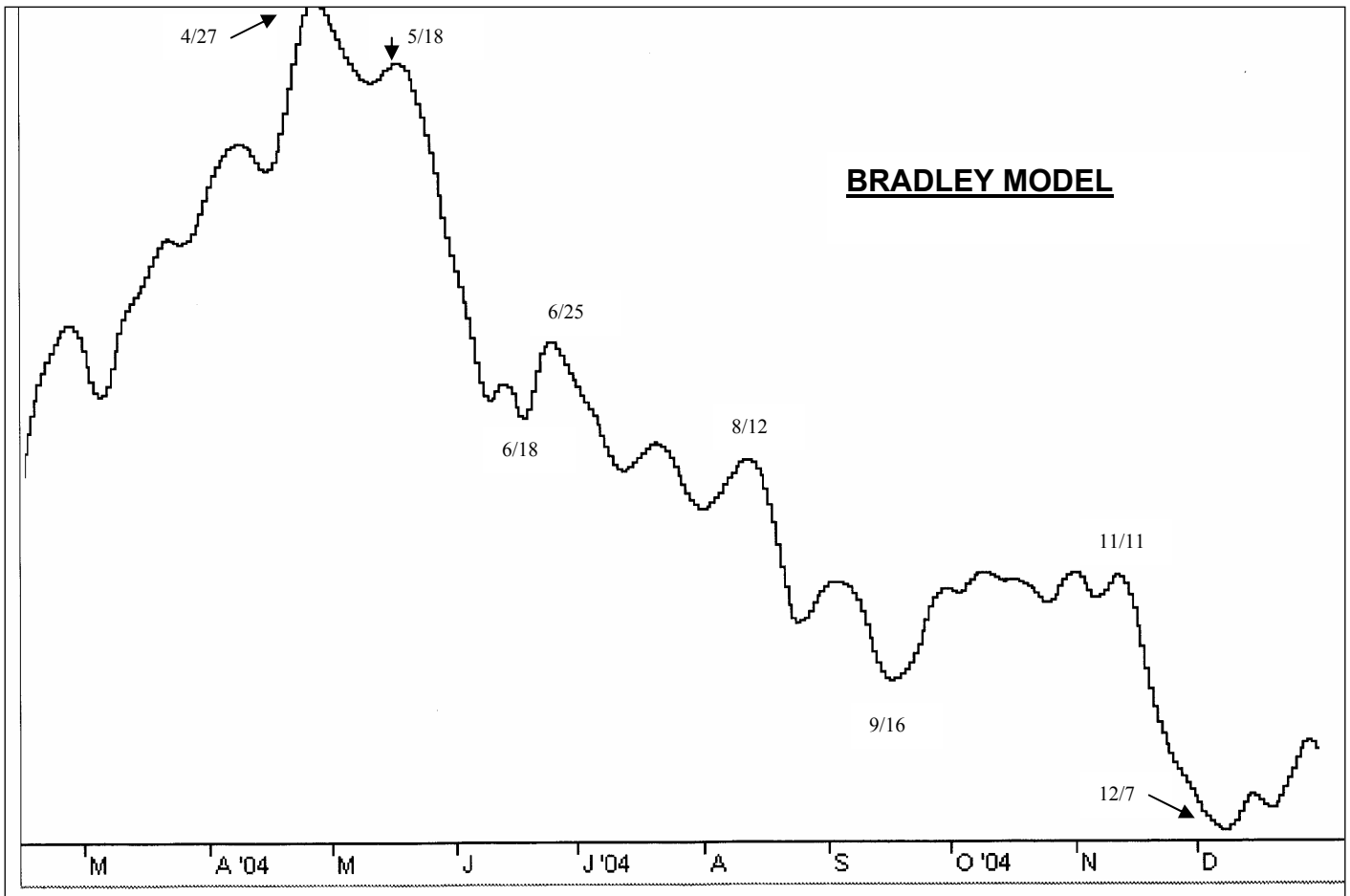
These Major Indices (3) have all broken their steepest uptrend channel lines more than once, and finally broke their 50-Day Moving Averages (thin Red line). The 50-Day MA's have turned lower as of March. The DJIA (INDU) and the NDX even broke their 200-Day MA's in early May, but popped back above before month-end. The SPX and the NDX (but not the INDU) have regained their 50-Day MA's, but they seem to be stalled out there. All these charts demonstrate a severe loss of momentum since early January, but their MACD Indicators are attempting to turn back up from below the neutral zero line, and are on the verge of regaining the positive ground. Both the 50-Day MA and the ZERO MACD line are capable of offering resistance. They must break through or fall back NOW! (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 barely passed point 3, then rescinded it! This is in accordance with our Cycle work, which concludes that the accelerating negative phase only gets going from mid-Summer!

Although a number of technical market indicators have reached very strong extremes, rallies are so far weak and clearly corrective (of the recent declines) in nature. If we can get a retest of the recent lows on stronger internals, a later attempt could prove more resilient, and possibly impulsive in nature. Our cycle indications do not support that scenario, but an alternative case is always possible. The 30-Year Bond chart looks as if it could drop again immediately. We are keeping the powder dry for our MAX negative trading positions until there is more agreement among our various indicative methodologies.

“We have now sunk to a depth at which restatement of the obvious is the first duty of intelligent men.”

George Orwell



AS OF LATE APRIL, THE BRADLEY MODEL HAS ENTERED AN EXTENDED DOWNTREND!

“The **BRADLEY MODEL**, described by Donald Bradley in his 1948 booklet, *STOCK MARKET PREDICTION*, has gained quite a bit of notoriety in recent years for its incredible accuracy. Except for the period of July through November 23, 2003, it has generally continued to be the most accurate market timing device for over two years, an exceptionally long run of correct calls. 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. 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 haywire.

We reiterate that we do NOT expect a serious Crash phase until after the middle of August, with the best bet for the ‘usual’ September-October Equinoctial ‘Black Hole! As of then, our Mars/Uranus CRASH Cycle becomes active again, a time when Market Crashes tend to occur, if other indications of a ‘Bubble’ are also present. In this case, they most certainly are! Those analysts calling attention to the Presidential Election cycle may be deeply disappointed as that cycle breaks down in the event of an extremely **bitter** campaign, such as that in evidence to date. Expect unusual switch hitting and changing horses in midstream. Remember that one party is betting on a good economy, while the other is hoping for worse. Behind the scenes maneuvering may reach epic proportions!

Please visit our NEW Website at: www.CrawfordPerspectives.com

We had remained positive on the **US Dollar Index** since its lows around 85. Figuring that the heavy resistance near 92.50 would seem to limit the upside for the immediate future, we Shorted this contract in the May 3 CP letter (close on 5/3 was 91.02) and placed a STOP at 92.77. It was able to hit our 92.50 resistance level exactly on May 14, and closed out May below 89. It could be ready to go over the cliff!

The **CRB Index** and generally **MOST Commodities** have depreciated against the **US Dollar**, over recent weeks, while **Metals, OJ and Coffee** reversed their declines & popped on Friday. **Lumber & Cattle** have continued their binge and the **Metals** had a good week or 10 days. **Wheat, Corn and the BEAN Complex & Cotton** turned sharply weaker on Thursday, probably news out of China.



SILVER, GOLD, and Platinum

were attempting positive reversal patterns last month and had nice advances in May. We believe they will recover & move higher as concerted attacks on the **US Dollar** are orchestrated by a conspiratorial consortium in the month of June! (That is when Saturn contacts the birth Sun positions of the United States and of G 'W' Bush.)

We **NO LONGER** recommend the **Stocks**, but continue to like the **BONDS** and Currencies of Australia, New Zealand, Canada, and to a lesser extent Russia and South Africa (greater political risk). We have been **LONG** for the last 3 years (from April 5, 2001)! "The Major shift to Resources is ongoing and will probably last for years.

ASTRONOMIC ACTIVITY

- MAY 27-28 = All major & most minor aspects BAD! Same for Monday the 31st. DOWN Stocks, UP Oil, Gold CRB!
- JUN 3 = Perigee Full Moon with Venus opposing Pluto, Neptune on the Ascendant for NY = More on oil, gold inflation, etc. High Tidal Force FM brings Storms, Earthquakes & charged particles closer to Earth "...and makes men mad."
- JUN 8 = Venus can be seen crossing the face of the SUN, 1st in 122 years. Hopi Indians consider it BAD News! Mars and Neptune both square Eclipse Points (different ones). = More potential for War & Inflation.
- JUN 10-11 = Uranus Retrograde station with Mars at 135 deg aspect, Mercury square Jupiter, Sun opposite Pluto! Mo'Bad.
- JUN 12 = Saturn passes over the United States birth SUN = Lowest point in world opinion, Repressive legislation. Mercury-Venus-Neptune alignment could time a pullback LOW in Oil-Gold-CRB +/-3 trading days.
- JUN 14 = Saturn passes over George W Bush's birth SUN = Near lowest point in his poll numbers. May be worse July 7!
- This entire period, June 8-18, is extremely intense in every energetic orientation, including Declinations & Heliocentric!
- JUN 15 = Mercury opposes Pluto, Mars parallel Saturn = News of atrocity or abuse, but you can't do anything about it.
- JUN 17 = New Moon conjoins Mercury in tight half-aspect (75 degrees) to Jupiter = Too much of a good thing, flooding.
- JUN 18 = Option Expiry = Should be an exceptionally Happy News Day = Be long the near month!
- JUN 22 = Saturn forms the square aspect to its own USA birth degree (One more hit of type on June 12-14).
- JUN 29 = Venus Station Direct, Mercury hostile to Pluto & Uranus = Communications snafus, Down markets.
- JUL 2 = Full Moon at Perigee = Another harbinger of Storms, Earthquakes. Another Interest Rate change?
- JUL 9 = Jupiter 150 degrees to Neptune = Pitched battle over Inflation vs. Deflation, Rapid shift of emphasis.
- JUL 16 = Same again here on Option Expiry. Disparate qualities with groups Up and groups Down. Be careful!

ATTENTION: The letters are usually mailed 1st Monday. In July it will be Tuesday July 6, 2004!

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