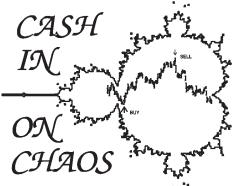
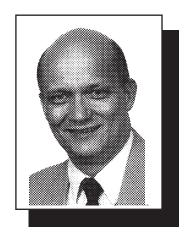
Yes, you can





http://www.cashinonchaos.com/hans http://moneytide.com

CASH IN ON CHAOS NEWSLETTER - FEBRUARY 27, 2001-2001-2

Dr. Al Larson, aka Hans Hannula, voice 303-452-5566, fax 303-457-9871,email allarson@moneytide.com

Stocks confirm bear market. Thonds trend weakens. IBM still in down channel. Interest rates down, markets sag. Swiss Franc ending pullback. Gold down but interesting. Wheat nearing low. World markets down. 2001 forecast revisited. Ace gets a pain drain. Death Line 2000 recap.

STOCKS

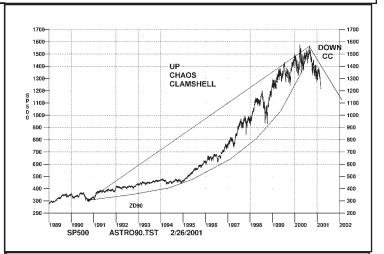
Stocks have confirmed the bear market. The great bull market that ended the last century is dead. Only the very young may live long enough to see a repeat.

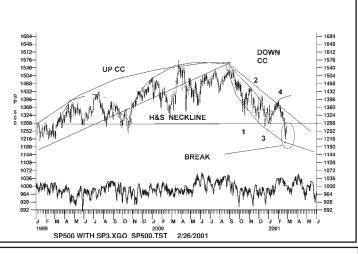
The DotCom Mania that fueled that bull market may be likened to past manias, such as the Tulip Mania or the Teapot Dome Mania. The flock of mutual fund managers who thought they had learned how markets worked, are now being punished for their arrogance.

The long term chart shows quite clearly that the up Chaos Clamshell of the bull market has been broken. A new down Chaos Clamshell is in effect.

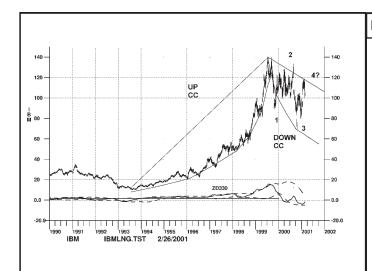
The near term chart shows a partially formed down CC from the highs of last year. It also shows the head and shoulders pattern that I wrote about last month. The right shoulder of that pattern has collapsed and the neckline has broken. This is very bearish.

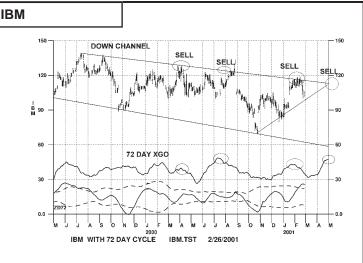
It is important at a time like this to keep in mind the emotional reactions that people feel with the death of a loved one. Investors who loved the raging bull market are feeling the same emotions now as if they lost a spouse, a child, or a close friend. Investor's emotions will go through the stages of shock, denial, anger, negotiating, acceptance, and restructuring. Investors will have to go through this entire process, which will take time.





This letter is written by Al Larson, aka Hans Hannula, full time trader, PhD (Electrical and Computer Engineering), RSA, CTA. It incorporates his original scientific research into market chaos, its causes, patterns, and trading techniques. The Chaos Clamshell shown is the unclassified version of the confidential *Hannula Market Fractal*, which is taught in his *Cash In On Chaos* course. Hotline updates to this letter are available daily on email as Chaos Trader's Hotline and Tomorrow's Market Hotline available for \$99/Mo., billed for 3Mos.at \$297, renewed automatically. See page seven for more details.





IBM continues in a down channel, even though it has rallied to be near the top of the channel.

The long term chart shows that this down channel is forming a down Chaos Clamshell. That down CC appears to be in move 4.

The near term chart shows the last three highs in the 72 day Energy cycle. The next high comes in April. A top can be expected then or sooner. The only position I recommend in IBM is being out or short.

For stocks or commodities not covered in this newsletter or on the hotline, you can track the cycles and trade the Chaos Clamshells using the Trading System Toolkit.

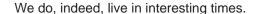
ECONOMY/RATES

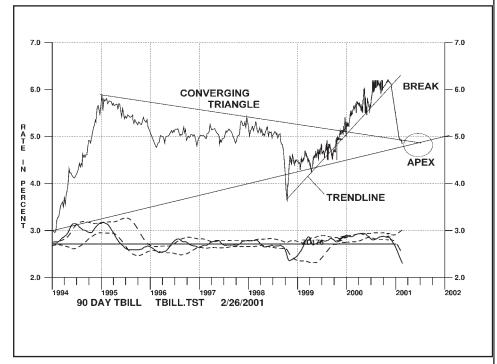
The interest rate chart shows the sharp drop in rates following the 2 cuts by the Federal Reserve.

Rates have now fallen to a natural support area at the apex of the large converging triangle. This is telling us that additional rate cuts may be postponed. The data being watched by the Federal Reserve is showing signs of inflation. This is coming at the same time that the economy is slowing. This is a very difficult economic situation to manage.

Companies that last fall were having trouble finding workers are now laying them off. Several companies, like Montgomery Ward, are going out of business after thriving for decades. Others, like Sunbeam, are frantically trying to

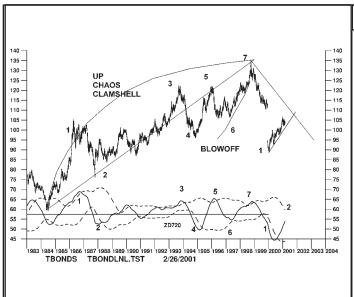
Sunbeam, are frantically trying to reorganize while under Chapter 11 protection. DotCom has become a bad word to the point that several Internet based companies are telling investors that they are really not DotComs. Rather than saying that we are Megacompany.com, they are telling investors that they are Megacompany, a sound business, which happen to have a website.

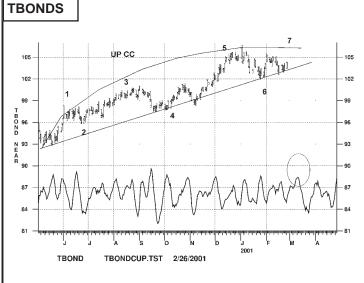




The only good luck many great men ever had was being born with the ability and determination to overcome bad luck.

Channing Pollock





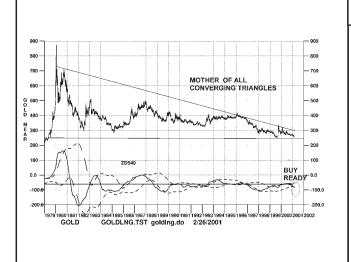
Thonds are still in an uptrend, but the trend is weakening.

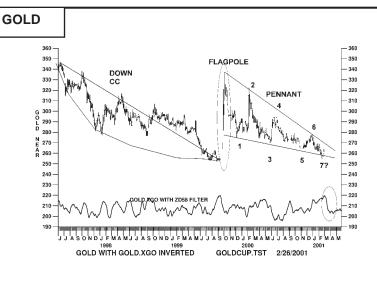
The long term chart shows that the current rally is move 2 up in a multi-year down Chaos Clamshell.

The near term chart shows the current rally, which makes a smaller up CC. The energy forecast says we can expect one more rally to test the highs, and then probably a decline. The energy forecast says that this move should come in early March. Any break of the trendline should be sold.

Genius is the ability to reduce the complicated to the simple.

C.W. Ceran

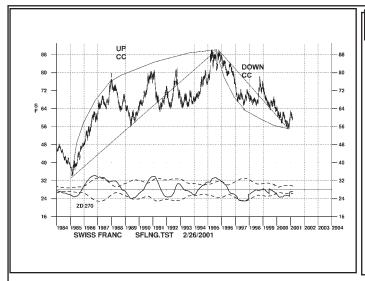


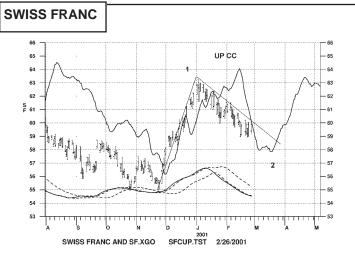


Gold is still fishing for a bottom.

The long term chart shows the mother of all converging triangles, which is still converging.

The near term chart shows the flagpole and pennant pattern. The pennant is a descending converging triangle. It may be nearing the end. I say this because I can identify 7 moves within the pennant. This makes it a possible down Chaos Clamshell, even if distorted. The energy curve shows a sharp drop dead ahead. This drop could mark a spike low in gold. The way to trade this is to continue trailing a buy stop down above the pennant.





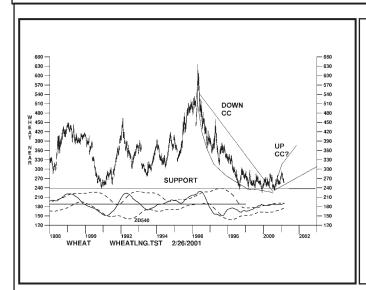
The Swiss Franc is pulling back in move 2 of a new up Chaos Clamshell.

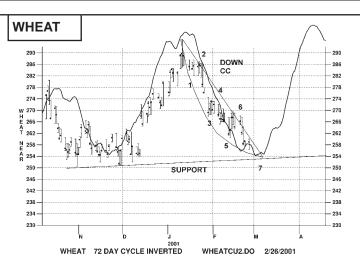
The long term chart shows the past two Chaos Clamshells. Both appear to be complete and a new one appears to have started.

The near term chart shows this new Chaos Clamshell and the 55 day cycle. That cycle is calling for a bottom at any time. It is also showing a sharp rally on the next move. This is a good time to trail a buy stop.

Things may come to those who wait, but only the things left by those who hustle.

Abraham Lincoln



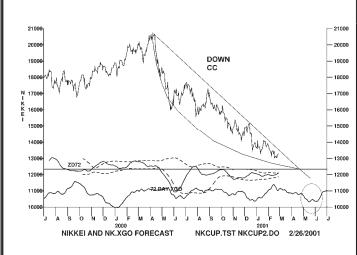


Wheat is nearing a historical buying opportunity.

The long term chart shows that wheat has declined in a down CC, and bottomed on the historical support. It is now in the process of making it's first higher low off of this support. That is the setup for a longer term move.

The near term chart shows how well wheat is following it's energy forecast. This forecast correctly called the last low, the last high, and is pointing to a low this week. The rally off of this low should be swift. The way to trade this is to trail a buy stop above the market.

George Bayer wrote about trading wheat using Mercury, Saturn and Jupiter. You can learn to find astrocycles with the aid of the Trader's Ephemeris and the Finding Astrocycles video-JUST \$100.

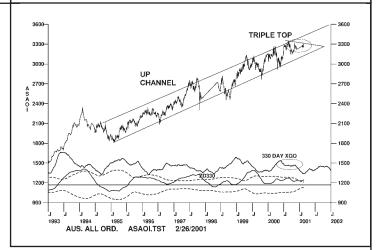




The Japanese market continues in a down Chaos Clamshell. The energy forecast is calling for a bottom in June.

The British market is forming a large converging triangle. It continues weak.

The raging Australian bull market is showing signs of a top. The end of this magnificent bull market may be at hand. That will be confirmed if the bottom of the up channel shown is broken to the down side.

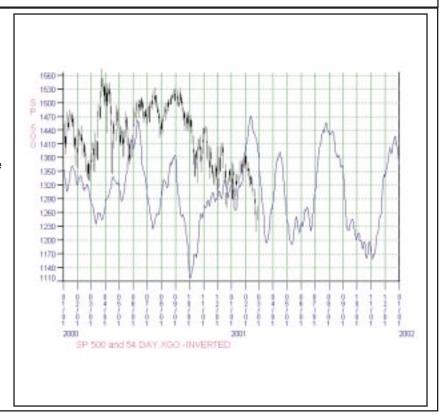


CHAOS CLASSROOM

This chart shows an update of the annual forecast made last November.

The forecast called for a choppy January and a down February. That is exactly what we got. It is now calling for a low near March 15th, followed by a 30 day rally.

This forecast is based upon using a 55 day Zero Delay filter on the S&P XGO energy. This does not make a perfect forecast, but does make a very useful one that is totally unemotional.



ASTROPHYSICS AND CHAOS THEORY

This chart is an update on the Death Line 2000 chart I published last summer.

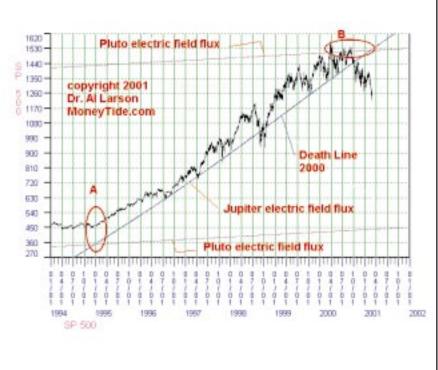
This chart shows two significant points, circled at A and B. At A, Jupiter conjoined Pluto. That coincided with the beginning of The Great Bull Market.

At B, Jupiter had moved to be 180 degrees from Pluto. This opposition marked the end of The Great Bull Market.

The trendline for the The Great Bull Market was the Jupiter electric field flux line shown. Notice how prices held above this line except for a brief drop below it at the midpoint of the bull market.

The top formation was formed between this flux line and the upper Pluto electric field flux line.

The Jupiter flux line was the line to watch as this market neared its top. This line was broken in early October, 2000. That's when I sold all my stock holdings. And that is when the DotCom mania ended.



ENERGY

Those of you who have read my book, *Your Electric Life*, know that energy fields can be measured with a simple dowsing chain. How to use this dowsing chain is detailed in Owen Lehto's book. *Vibrations*.

The chain can also be used to relieve pain. My dog, Ace, who loves to race around the place at a furious pace, recently tore his anterior crucial ligament (ACL). That is the same injury suffered by Broncos running back, Terrell Davis. Like Davis, Ace had his repaired.

Following surgery, Ace, of course, has a very painful leg. In this picture I am "draining the pain." I hold my left hand on a sore muscle, and hold my dowsing chain in my right hand (circled). At first the chain spins counterclockwise, indicating negative energy. As the negative electrical charge



is drained out of the muscle, the muscle relaxes, Ace heaves a sigh, and the chain reverses its rotation to clockwise. As the muscle regains its positive charge, the chain rotates until the muscle has reached its full capacity.

I have verified that this chain measures electrical flow. Its seems, then, that painful muscles are caused by too much negative charge being trapped in the muscle.

Owen Lehto discovered this ability to drain pain and wrote about it in his book. (Available from Acres USA at 1-800-355-5313)

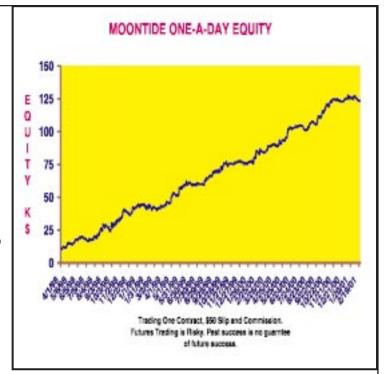
FEBRUARY 2001

QUALITY IMPROVEMENT

Much of my work this month had to do with improving various pieces of software. In April I am going to Australia to speak at the AstroEconomic Conference. My wife and I are following that up with a 13 day tour of Australia. While I am gone, my computers must do many tasks, such as collecting my data, reliably.

A key piece of software that needed a major improvement was my data collector. For some time I have been slowing developing a program to collect data from Data Broadcasting Corporation's Signal/ESignal data feed. This month I managed to find time to fix a few minor bugs in that software, and to add the ability to capture end of day data. Once it has been soaked and tested, this software will become my main end of day data collector. This will replace a WinBatch based data collector. The WinBatch data collector ran okay, but occasionally malfunctioned if I happen to have left a chart open in the Signal software.

This is an example of the key to quality improvement-just keep making it better.



PEOPLE AND HAPPENINGS

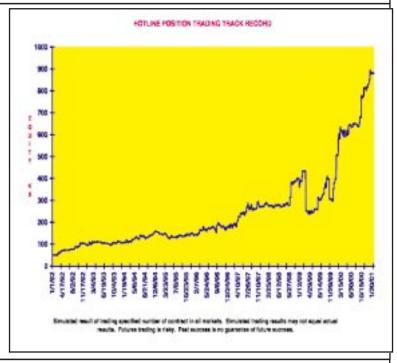
This has been a nasty, cold month here in Colorado. Last fall my wife noticed that the animals were putting on thick coats. She suggested that we should expect a long, cold winter. We got it. Not bad for a city girl, huh?

Thanks for the many emails and phone calls. I have had to work pretty hard this month to keep up with them. Now that The Great Bull Market is over, many individuals are beginning to appreciate that there is more to learn about trading the markets than just buy and hold. So that has kept us busy. We appreciate the opportunity to be of any assistance that we can.

Our trip to Australia is getting organized. While in Australia we will teach a one day seminar. Details of that are posted on our website.

All for now. See you next month.

al



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2 = AstroDow2 3= AstroDow3 4=AstroDow4 P=AstroPoint extreme F=Full moon N= New Moon M = Mercury Lunar Chaos V= Venus Lunar Chaos

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by Dr. Al Lason, Ph.D. (aka Dr. Hans Hannula)

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