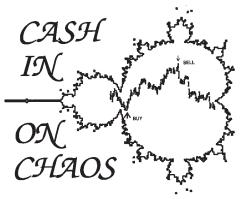
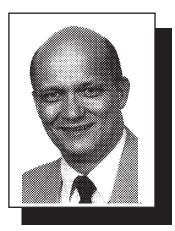
# Yes, you can ..





http://moneytide.com http://daytradingforecasts.com

CASH IN ON CHAOS NEWSLETTER - April 30, 2002-4

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

Stocks fall back into the claws of the bear. Tbonds rally as forecast. IBM still searching for a bottom. Economy disappoints. Swiss Franc rallies well off major low. Gold celebrates breaking out of the Mother of All Converging Triangles. Wheat searching for a low. Japanese market resumes rally. Annual forecast revisited. The dance of the western planets. Eclipse mechanisms reviewed.

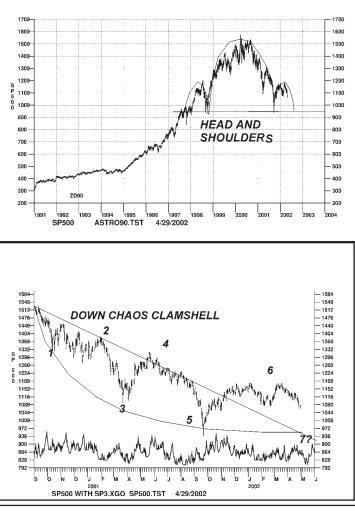
# STOCKS

Stocks have retreated sharply from 1170, clearly telling us that the bear market remains in effect. This has caused us to abandon our cautious bullish stance.

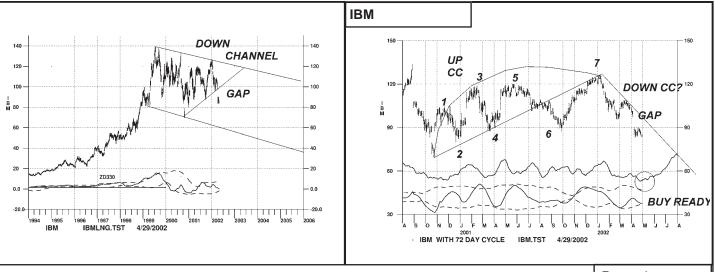
The long term chart shows that prices are in the downward part of the right shoulder in the large head and shoulders pattern. If this pattern continues to hold, a decline to the neckline at 990 is probable, and a retest of the 936 September low is possible.

The near term chart shows a down Chaos Clamshell that accounts for recent action. The current decline is following the SP3.XGO energy curve, which shows a low mid-April. That is in the time frame when the cluster of planets in the western evening sky will reach their maximum "tightness." That pattern is spectacular, and is drawing a lot of press attention. But there is much more going on than meets the eye, as explained in the tutorial section.

This decline in stocks has been fueled by disappointing earnings reports. Such "earnings surprises" are typical of "double dip" recessions, which may be what we are seeing now. So investors should remain out of stocks until later in the year.



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 has broken down with a gap.** The long term chart shows that IBM is in a wide down channel. It is possible that IBM could decline to the bottom of that channel. That could take prices as low as 60.

The near term chart shows the move down from the end of the squashed up CC. This down move is following the 72 day energy cycle which has turned up. This suggests a couple months of rally in IBM. But this is a weak long term chart, so buying this rally is not a good idea.

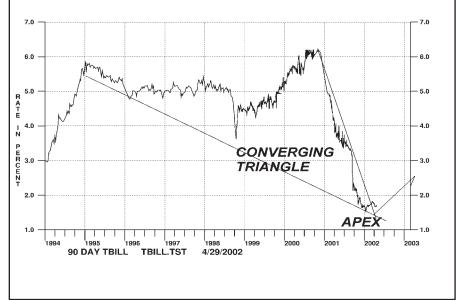
For stocks or commodities not covered in this newsletter or on the hotline, you can track the cycles and trade the Chaos Clamshells using the **Trading Sys**tem Toolkit.

## ECONOMY/RATES

Interest rates have remained fairly stable, but have bottomed. The Federal Reserve will probably raise rates this month. They have practically announced their intention to do so. Essentially, the bankers have told the businessman that they have done all that they can do, so it is up to them to get their books in order.

Just how bad off some companies are is a big question. The public only gets the information that must be released by law, what becomes public knowledge because of things like lawsuits, and what the company's PR machine produces. Here in Denver, Quest is one of the big companies to watch. Quest was an apparently successful telecommunications company which grew like crazy during the Dot Com

Mania. They are headed by a



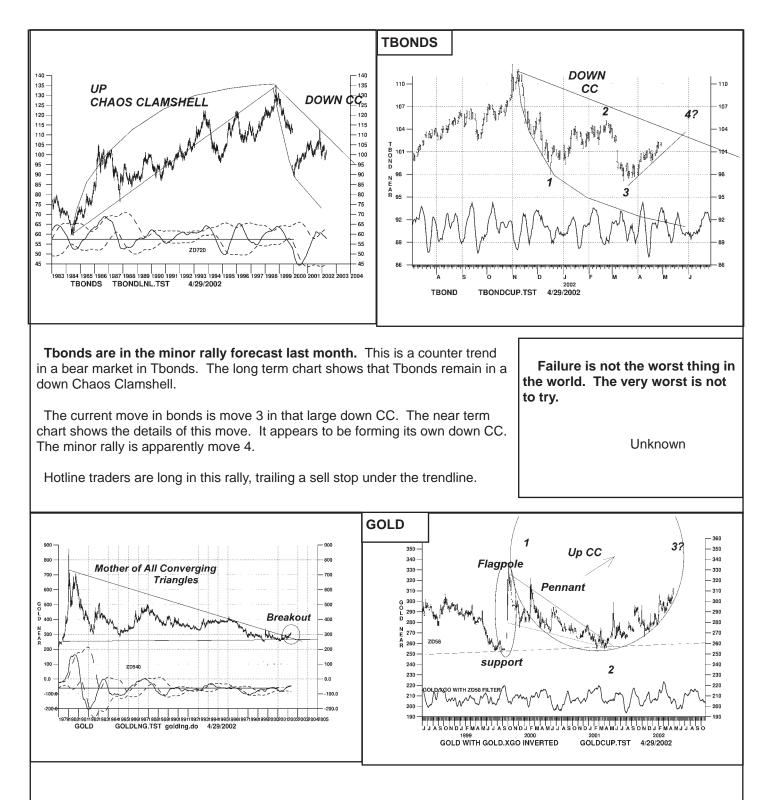
flamboyant CEO by the name of Joe Nachio. Just before the mania market peaked, Nachio managed to buy US West, the regional Baby Bell. At that time the stock was well above 50. I even bought some.

Now, after a year of disappointing earnings, merging of the two companies, restructuring, layoffs, scaling back expansion plans, etc. Qwest stock fell under \$5.00 a share yesterday on the news that it may have been involved in secret legal business activities. Still, Nachio got a \$5 million dollar

bonus. Excuse me. Is this what pay for performance really means? Sure glad I followed my own advice and sold all my stocks when that Gann Death Line was broken, October 6, 2000. Nachio didn't get me.

We cannot direct the wind . . . But we can adjust the sails.

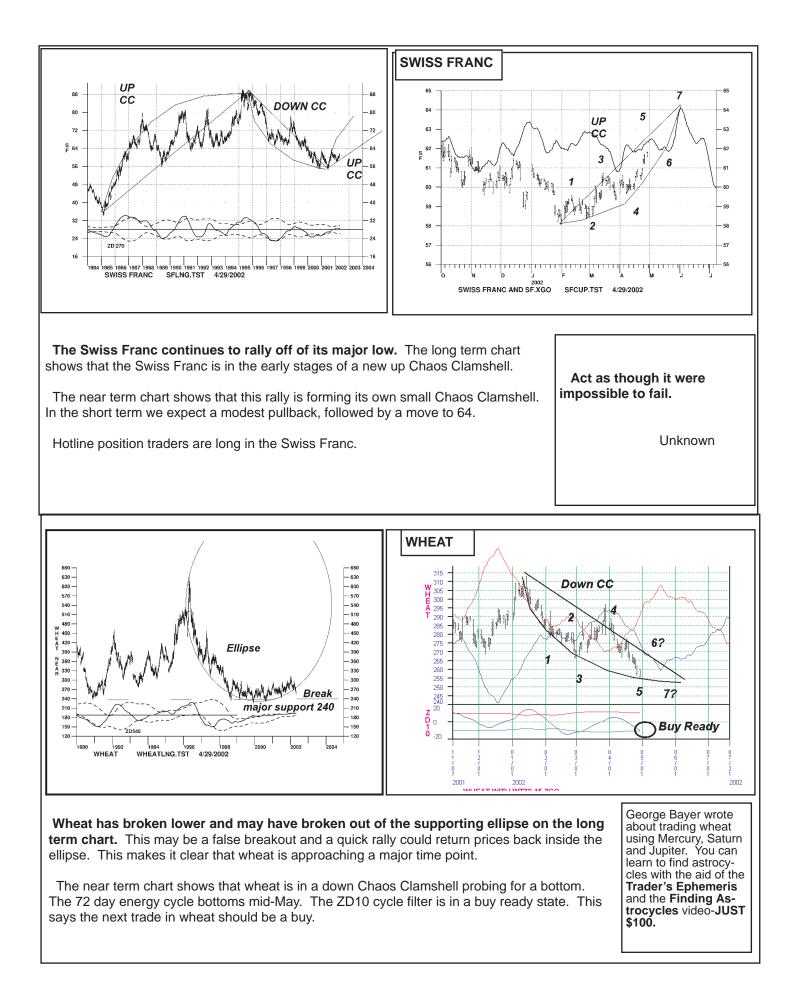
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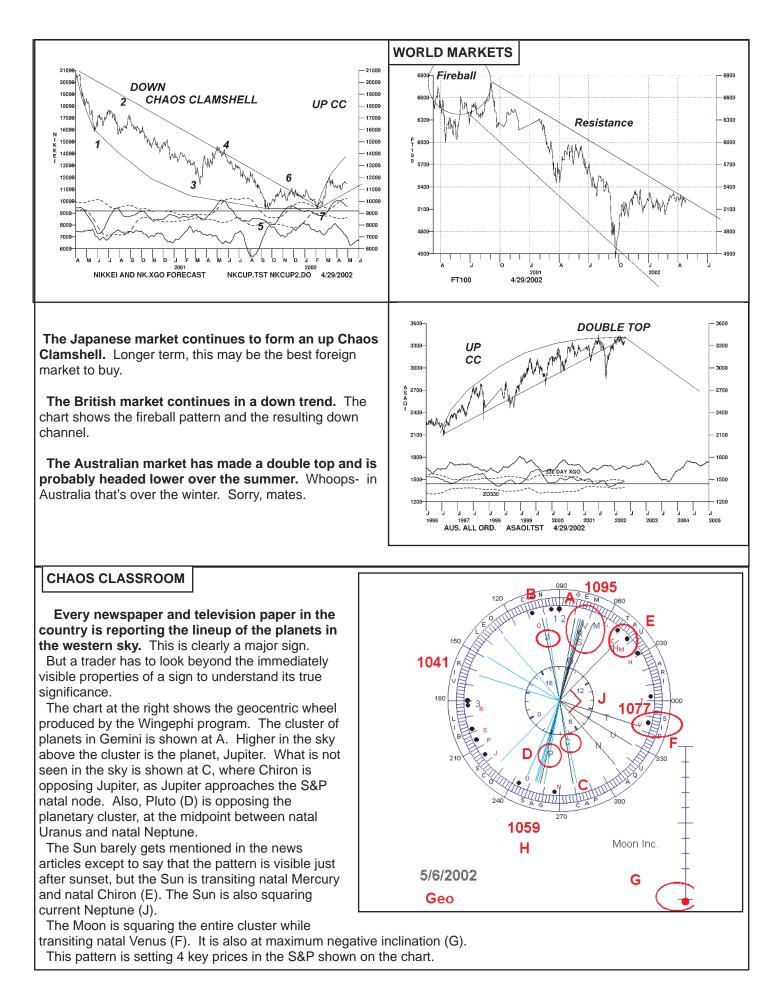


Gold has been celebrating the end of its 20 year converging triangle with a solid rally. The long term chart shows this converging triangle and the breakout from it. Technical analysis theory says that the move from such a long pattern will be long in duration and large in price change. So gold may be the investment of the decade.

The near term chart shows the long term support line and the flagpole and pennant pattern. The flagpole is apparently move 1 of a new up Chaos Clamshell. The pennant is move 2. The current rally is move 3. This rally is supported by a rising elliptical trendline. That suggests a blowoff to this move in July with a high price of 340.

Hotline position traders are long in the pattern from 297.



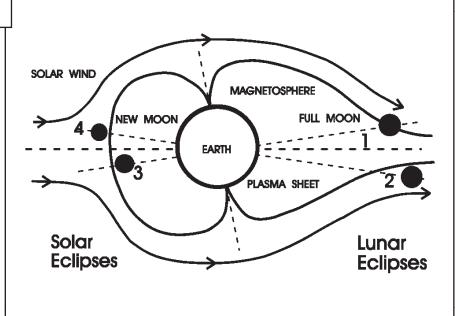


**APRIL 2002** 

## ASTROPHYSICS AND CHAOS THEORY

Not only does May have the great planetary convergence, but it has a lunar eclipse on the 26th. Then on June 10th comes the next solar eclipse. Serious study of markets shows that eclipses are often key turning points.

This drawing shows the mechanisms of the eclipses. The reason eclipses show up so strongly in markets is that they disrupt the energy flow from the Sun to the Earth. Ionized particles from the Sun are swept past the Earth on the solar wind. As the solar wind passes Earth, it is deflected around the Earth by the Earth's electromagnetic field. During a full Moon, the Moon (1-2) reflects negative ions back to Earth. That makes people feel euphoric. During a lunar eclipse, this effect is maximized, but as the eclipse forms, the Earth blocks the



energy to the Moon and there is a sudden "loss of euphoria." Similarly, the new Moon (3-4) tends to block ions in front of the Earth, making people feel down. This is maximized during a solar eclipse when the Moon is exactly in alignment with the Sun.

For more information, buy our "Trading The Eclipses" report.

The spirit, the will to win, and the will to excel are the things that endure. These qualities are so much more important than the events that occur. Vince Lombardi, NFL Coach

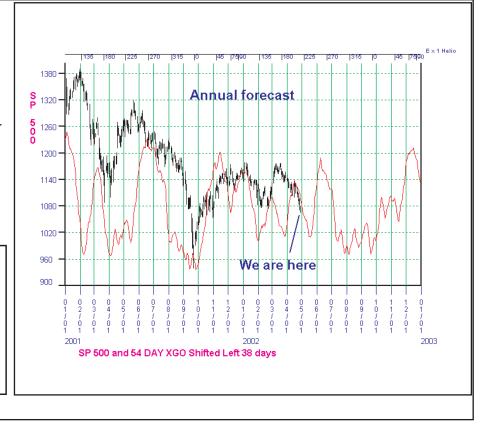
## ENERGY

This is an update on our annual forecast. This forecast is made by filtering the SP3.XGO energy function with a 54 day Zero Delay filter. The forecast has then be shifted left 38 days.

Except for the last rally, this forecast has been working well this year. It is currently calling for a decline into mid-May.

There are four steps to accomplishment: Plan Purposefully. Prepare Prayerfully. Proceed Positively. <u>Pursue Persistently.</u>

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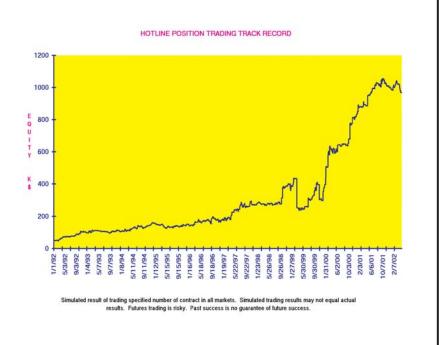


#### QUALITY IMPROVEMENT

Our quality improvement work this month has been a bit unfocused, because we have several projects in progress. We have added features to our daytradingforecasts.com website. We have

set up an email list for our FOGGERS so we can more easily notify them of new charts in the FOGGER room at moneytide.com.

We continue working on our Chaos Trader EOD program. This program has turned out to require more programming than anticipated, so we did miss our goal of having a releasable version at the end of the 1st guarter. We now are hoping to have it completed by the end of the summer.

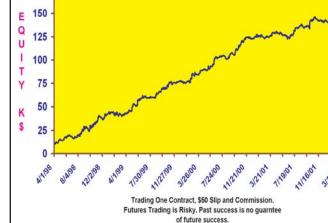


#### **PEOPLE AND HAPPENINGS**

We had the great pleasure this month to teach our Market Astrophysics I Course during the Chaos Institute. This course is a detailed course in the foundations of market astrophysics. Every time I teach it, I benefit by reviewing the material myself. And after each such review, I usually see a few new relationships between markets and planets.

We have had a high volume of emails, phone calls, and faxes, as well as questions in the chat room at davtradingforecasts.com. I sincerely appreciate your interest in my work. Hopefully, I have answered all inquires, but if I somehow missed one from you, please send me an email.

Summer is rapidly approaching and all you workaholic traders need to plan some vacation time. Now is the time to do it before all the campsites, motels, and hotels are booked. (j0)



MOONTIDE ONE-A-DAY EQUITY

All for now, see you next month.

We did purge addresses last month. If this is a sample newsletter, you will stay on our list until purged. The date after your name tells you the last month you will receive unless you renew. Renewals are \$240/year. Renew now. I do take 3 month and 6 month renewals as well. Just pro-rate the cost. Call 303-452-5566 with your renewal or order online. Visa and Mastercard taken.

175

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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

#### Your Electric Life, Science for a New Age

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

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#### **XGO CHARTS**

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