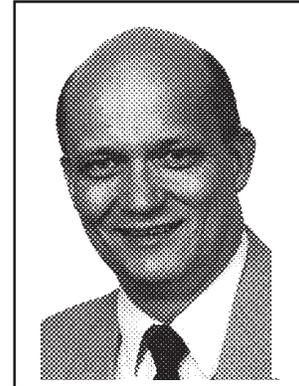
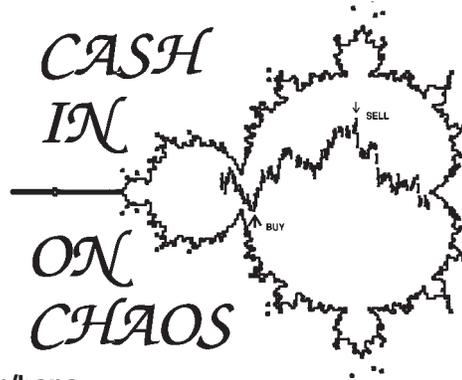


Yes,
you
can



<http://www.cashinonchaos.com/hans>
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CASH IN ON CHAOS NEWSLETTER - MARCH 20, 2001- 2001-3

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

The Bear flexes its muscle. Tbonds hold the trend . IBM set for minor rally. Interest rates plummet. Swiss Franc set for rally. Gold nearing decision point. Wheat retesting low. World markets down, except Down Under. Mania markets reviewed. Energy inversions. How the seasons affect the field.

STOCKS

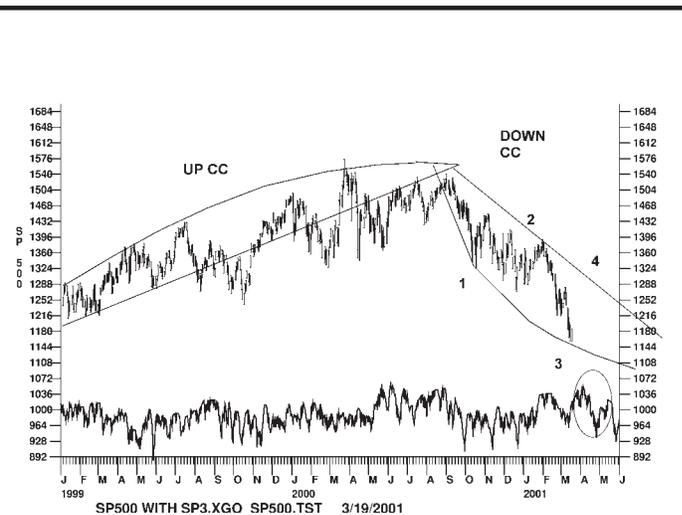
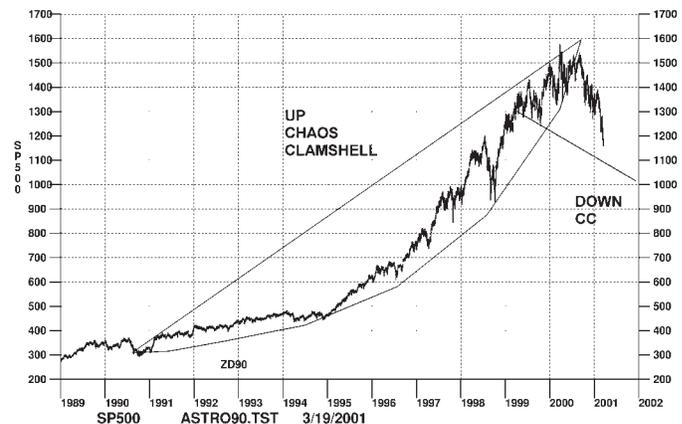
The bear has flexed its muscle. Those who believe that the bull market of the 90's will resume any day now, will be sadly disappointed. This bear market could prove to be the worse the US has ever seen.

The long term chart shows that US stocks completed a decade long up Chaos Clamshell and are now in a new down CC. There seems to be a lot of shock now that prices are declining. The great bull market shown on the long term chart was a Mania Market. Manias are psychological events driven by the madness of crowds. In this case the madness was the belief that all one had to do to get rich was to buy a Nasdaq stock in any DotCom company.

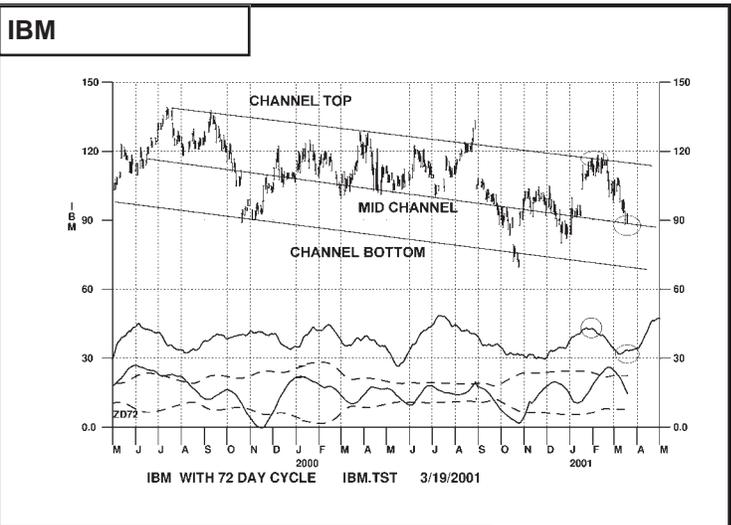
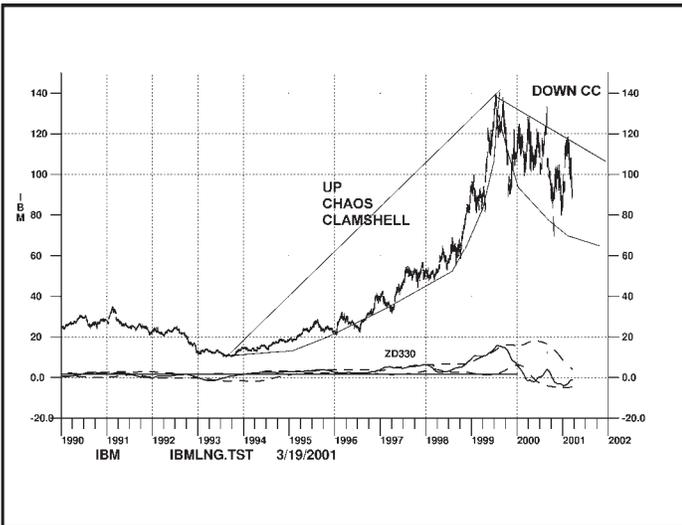
This mania reminded me of a discussion I heard in October 1999 while eating breakfast at a hotel. In the booth next to me I heard one man telling another how easy it was to get rich in the Japanese stock market. I recognized then that that was a sign of Mania Madness.

The near term chart shows how quickly the downturn has come. It accelerated sharply in the last two weeks. While it is now looking like it might rally for a couple of weeks, the down side risk remains extreme.

This is a trader's market. Investors should be putting their money in a safer place. In bear markets like this, cash is king. I recommend being totally out of stocks.



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. **Hot-line 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 did pull back from the top of its down channel as forecast. It has now made a temporary bottom on the mid-channel. This is shown in the near term chart. The 72 day energy forecast is for a few weeks of rally. That will be followed by more decline.

The long term chart shows a very large "distribution top." This is a sign that holders of large blocks of stocks are liquidating their positions. IBM reinvented itself as a DotCom company. Now it is paying for doing the right thing at the right time.

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**.

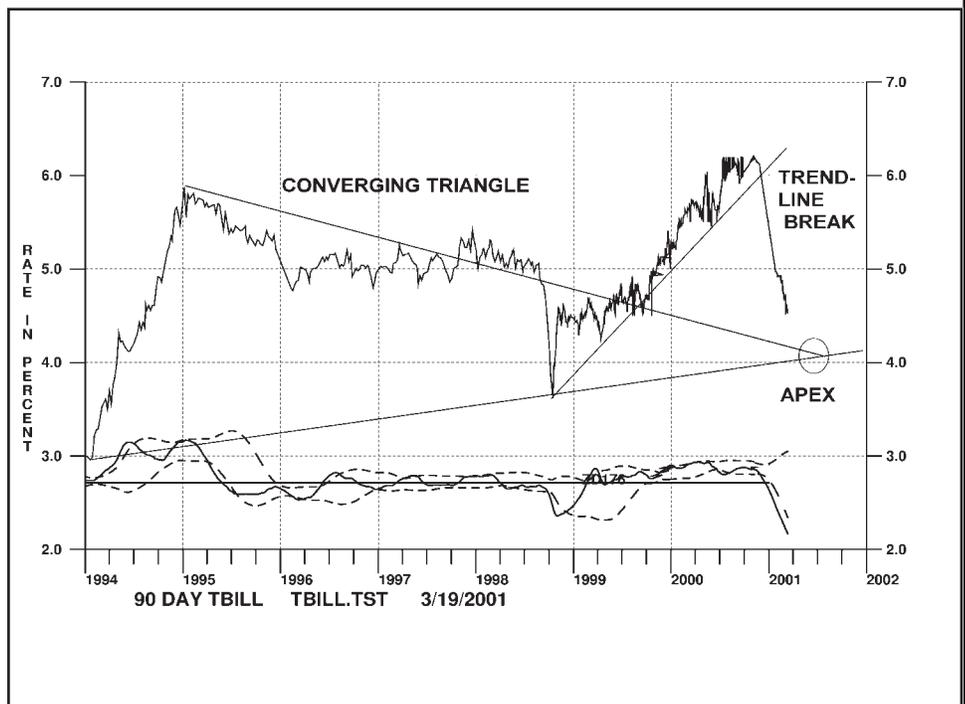
ECONOMY/RATES

There is something wrong with this picture. Interest rates have dropped sharply, but neither the market nor the economy have improved. This is not how it is supposed to work.

This must be frustrating to the Fed. They view it as their duty to control the money supply and thus the economy and, therefore, the markets. Sanity is simply being in control. When one senses the loss of control they behave insanely. We are now in a position where we should expect such behavior from the Fed and from the government.

What is happening now is not a simple short term phenomena. The US market and the US economy are undergoing long term changes. These tidal waves of change are in control. The actions of the Fed and of the federal government can be used to moderate the effects of these tidal changes, but they cannot reverse them.

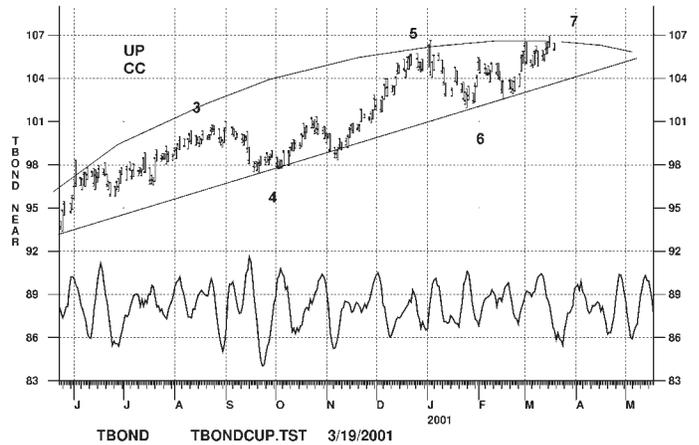
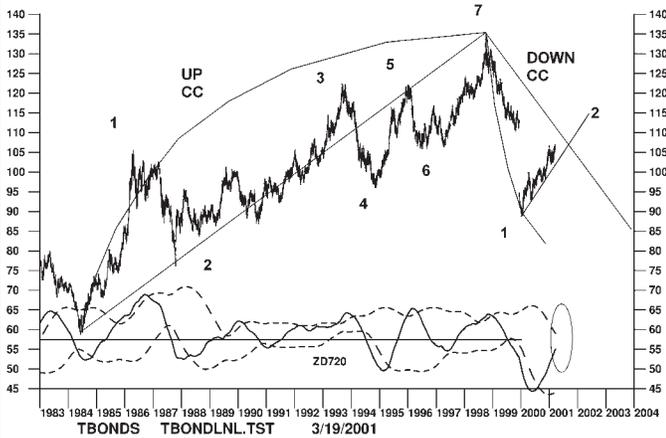
The interest rate chart shows the sharp drop in rates. It looks like they will bottom soon, near 4%. This is the apex of the large converging triangle shown. After that, I expect that interest rates will have to rise.



It's what you learn after you know it all that counts.

John Wooden

TBONDS



Tbonds have continued their rally. They may be nearing a short term top. The long term chart shows that this rally is move 2 of a down Chaos Clamshell.

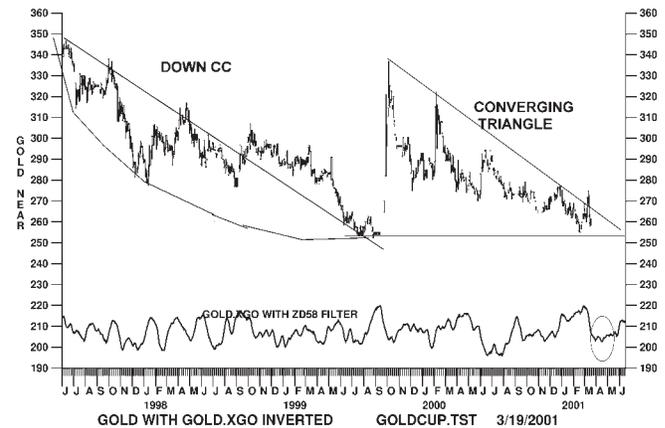
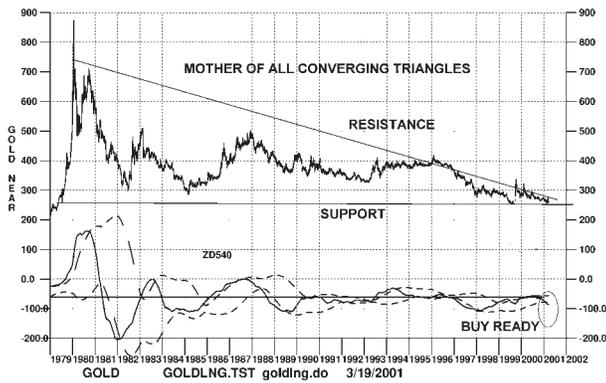
This move is shown more clearly in the near term chart. That chart shows the action that is typical before an up Chaos Clamshell ends. Prices still rally, but with less enthusiasm. While each top may be higher, it is only marginally higher than the former tops.

Traders are currently on the sidelines, looking to sell a downward break.

The price of success is hard work, dedication to the job at hand, and the determination that whether we win or lose, we have applied the best of ourselves to the task at hand.

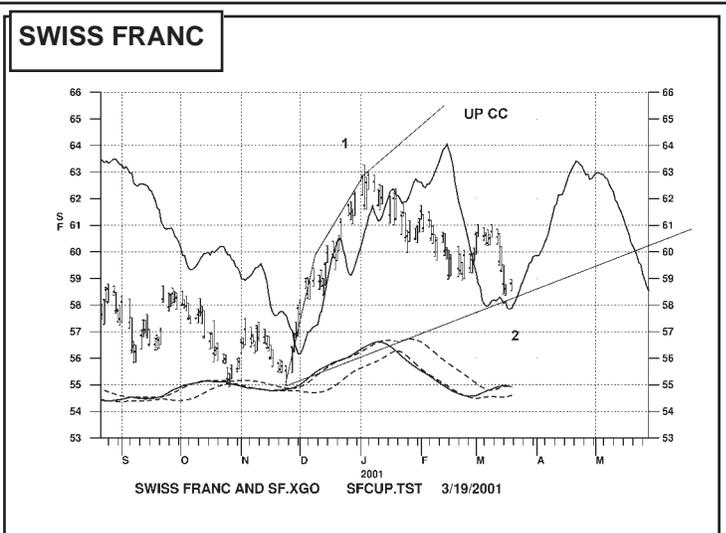
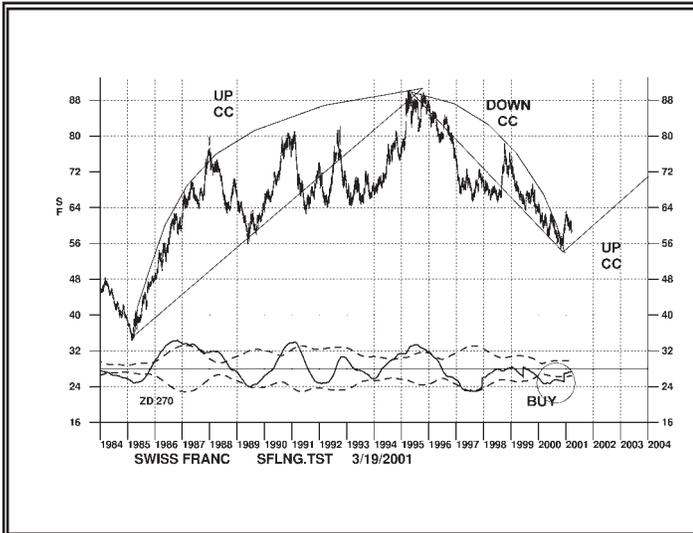
Vince Lombardi
NFL Coach

GOLD



Gold continues to build the Mother of All Converging Triangles. Maybe our children will live long enough to see it end.

The near term chart shows that there is a glimmer of hope. For over a year, gold has been building another converging triangle. That triangle almost has to end in the next few months. We expect that when it does, gold will rally. That is based on our 58 day energy forecast.



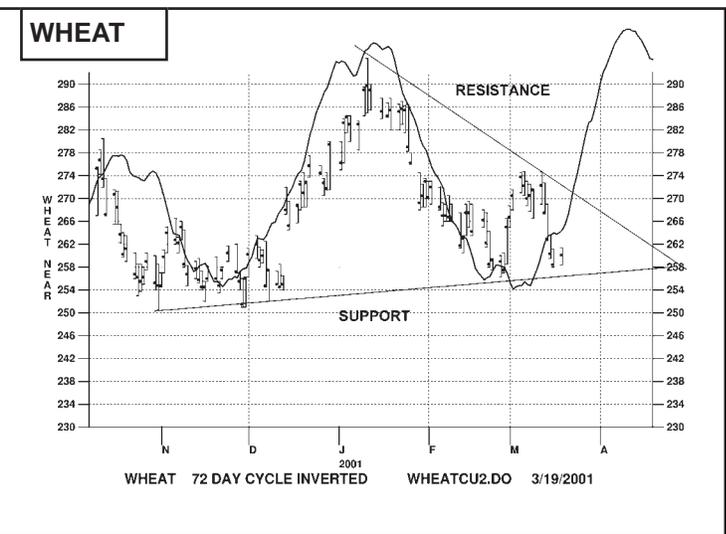
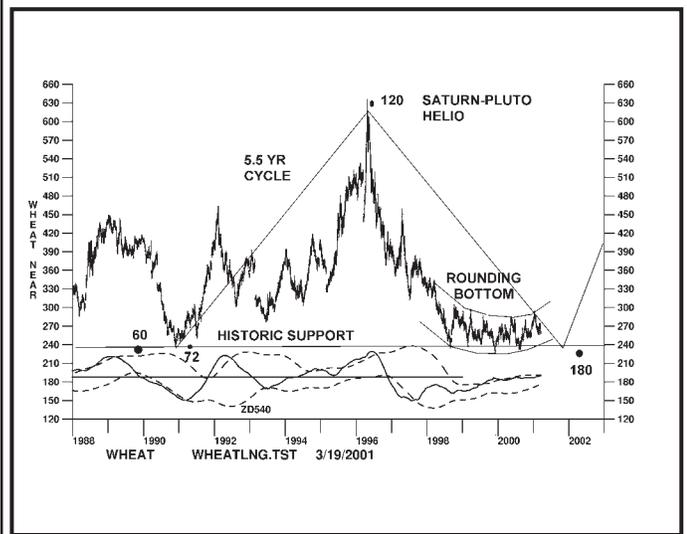
The Swiss Franc is ready to rally. The long term chart shows that it has ended a six year down CC.

The near term chart shows the first two moves of the new up CC. Move 2 appears to be nearly finished. The 55 day XGO energy is now turning up.

This may be part of a larger pattern of a "flight to quality." If the US and world economy are in any sort of serious trouble, large investors will be seeking a place to put large amounts of capital. Traditionally, these havens have been gold, silver, and strong currencies. Although it has been out of favor for some time, the Swiss Franc was, at one time, a member of this safe haven club.

The worst bankrupt in the world is the person who has lost his enthusiasm.

H. W. Arnold

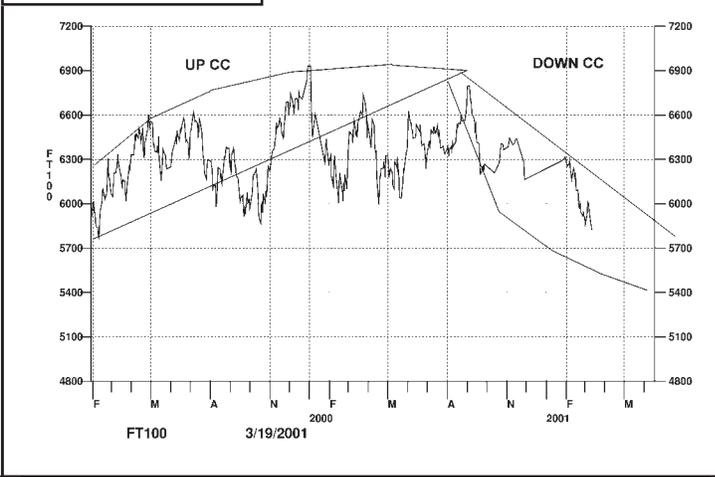
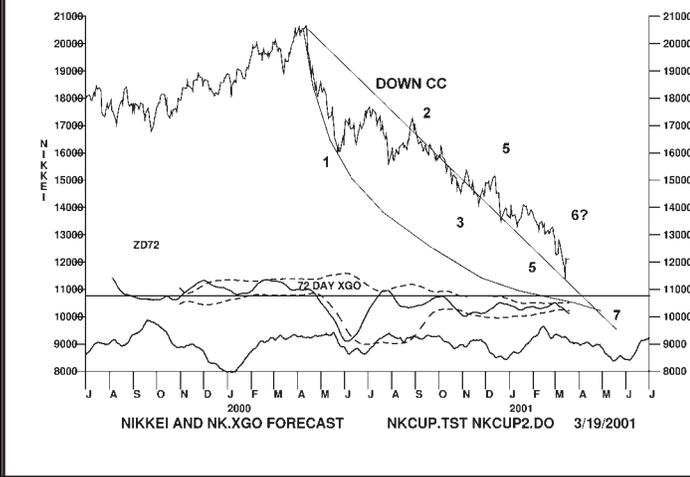


Wheat continues to build a historic bottom. The long term chart shows the historic support at 240. It also shows a rounding bottom pattern, developing over the past two years. These rounding bottoms are relatively rare, but are usually quite powerful. They can usually be traced to long term planetary cycles. In this case, the cycle seems to be the 6th harmonic of Saturn-Pluto heliocentric. The chart is marked with the 60, 120, and 180 degree positions of this cycle. The 6th harmonic works with the 7th harmonic to produce turns. This creates the effect of making the low at 60 degrees late, and a low at 180 degrees early.

The near term chart shows a converging triangle. The 72 day XGO energy curve is up, so I expect this cycle to break to the upside.

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.**

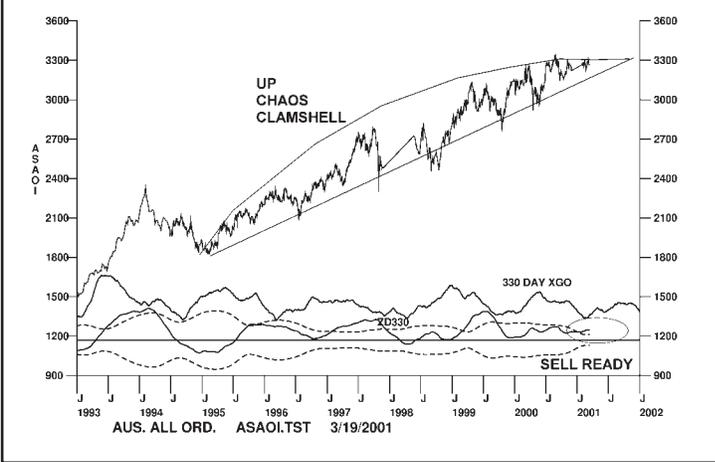
WORLD MARKETS



The Japanese market has suffered a serious decline, to the point that companies, banks, and governments are at high risk of collapsing.

The British market is also in decline.

The Australian market continues to hold up. However, the economy in Australia is probably in a recession. The Howard government, which has taken credit for the good times, is now suddenly faced with tough elections and an electorate that is not as warm and as receptive as it once was.

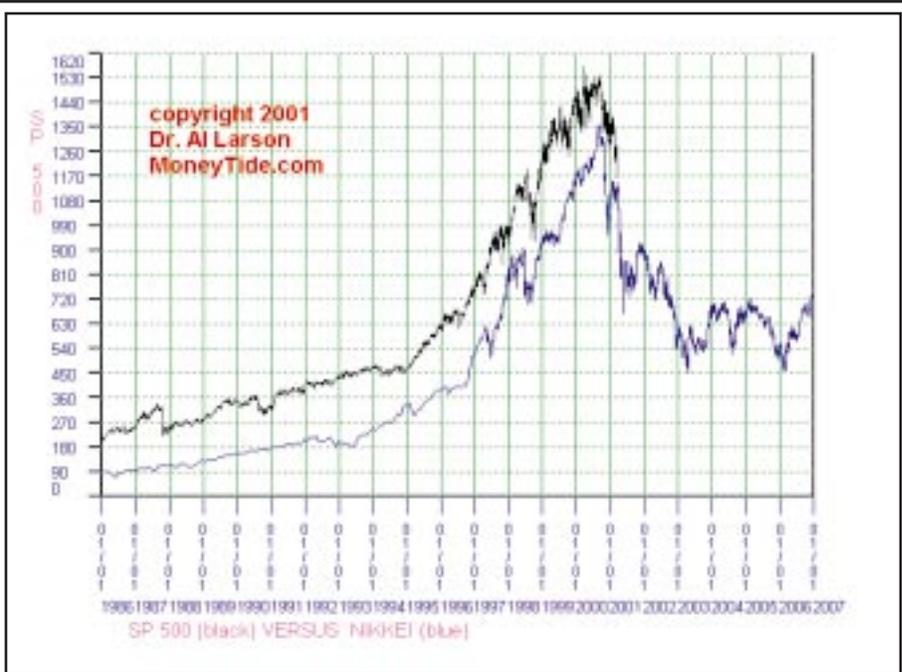


CHAOS CLASSROOM

One of the purposes of studying technical analysis is to learn to recognize patterns that repeat in markets. One of the most important patterns you can learn about is the pattern of a Mania Market.

The chart at the right shows two Mania Markets. The top line is the US stock market. Displayed under it is the Japanese stock market, shifted forward 129 months.

Both markets show a gradual rise in growth for many years. Then they reach a point (the knee) where growth accelerates. This is where the mania begins. Prices then rise rapidly as the mania spreads like the flu. Finally, the bubble bursts and prices drop sharply. After several years they level off. But they never return to their former glory days.



The US has an entire generation of investors who do not understand this. Japan had such a generation, who are now wiser, humbler, and poorer. If you hold US equities, I highly recommend you convert them into cash.

ASTROPHYSICS AND CHAOS THEORY

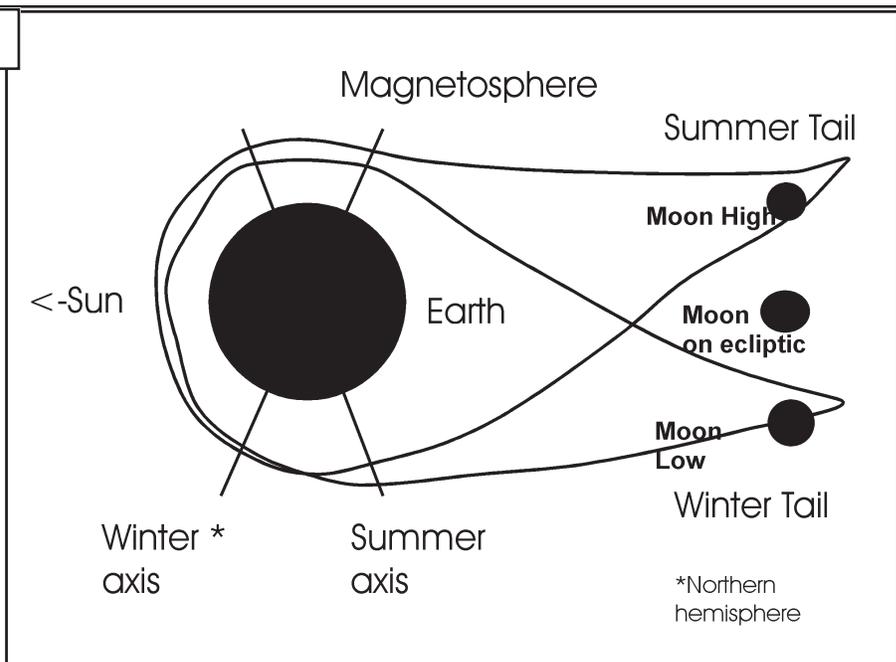
Today is the spring equinox. The earth's axis is vertical. This makes the nighttime and daytime equal on all parts of the globe. It marks the beginning of the natural year.

This natural year has a strong influence on the electric fields that affect markets. The mechanism for that is shown at the right.

As the solar wind flows from the sun and around the earth, it creates a teardrop shaped region called the magnetosphere. The head of this teardrop is controlled by the earth's magnetic poles. When the north pole tips towards the sun, the magnetosphere tail rises to the position shown as the "summer tail" (northern hemisphere). Similarly, then the north pole tips away from the sun, the magnetosphere tail drops lower.

As the moon passes through full moon, it reflects ions from this magnetosphere tail back towards earth. These increased ions make humans emotional, love struck, and crazy traders.

How many ions get reflected back are a function not only of the position of the tail, but also of the moon. The moon's orbit is tipped to the earth, causing the moon to ride high, normal, or low. The net result of this complex interaction is that the earth's electric fields are varied both by the seasonal tilt and by the moon.



ENERGY

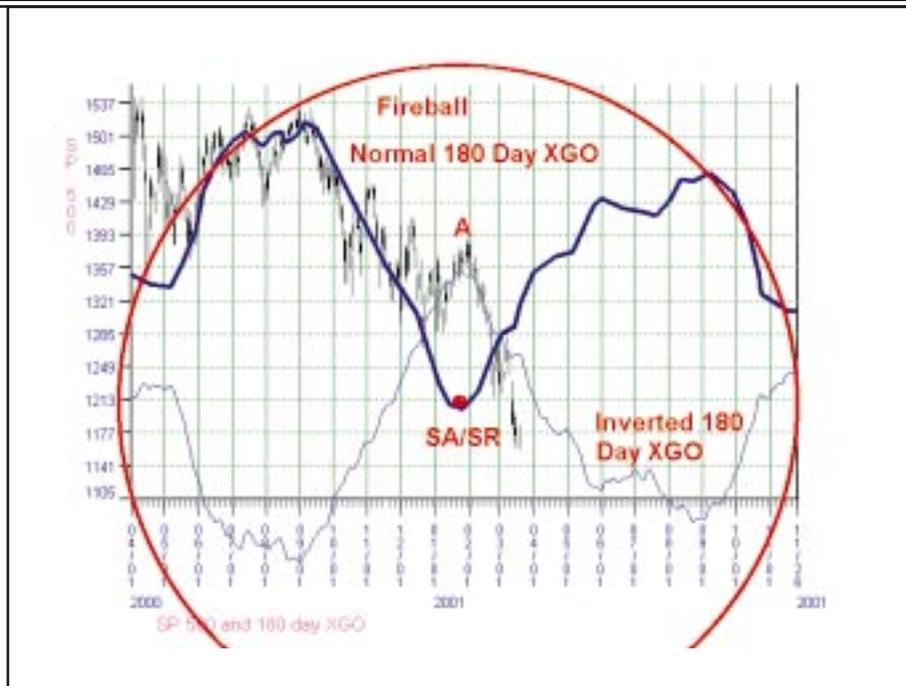
In January I wrote about a new analysis method for using Fireball patterns to compute the length of a Zero Delay filter with which to filter the XGO energy for a market, to produce an optimal energy forecast.

The chart at the right shows the Fireball and the original optimal forecast I used, labeled normal 180 day XGO.

This forecast called for a low at the point marked SA/SR. This is a chaotic Strange Attractor/ Repellor.

One of the behaviors that occurs inside these Fireballs is that the energy at the center can cause an inversion. It is a fact of life that chaotic systems always have two solutions. That's the bad news.

The good news is that the most prominent second solution is the inverted forecast. In this case, a warning that the forecast might invert was the high at point A, which was expected to be a low. Inverting the forecast at that point correctly forecast the market after it passed the SA/SR.



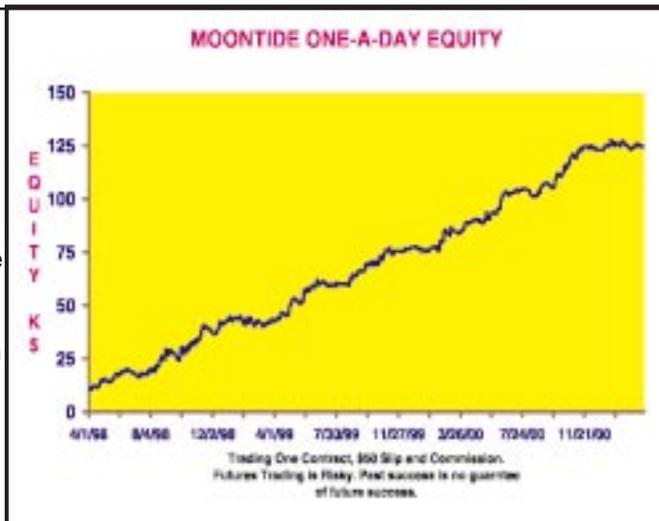
QUALITY IMPROVEMENT

This month my quality efforts continue. After years of developing my own software for research, I am now focusing on upgrading all my software, both research and product. This has turned out to be an enormous task, since there are so many pieces. Also, there have been major changes and churn in PC technology and PC software. Just keeping up with these changes has been a challenge. Now the rate of change has slowed and the major tools and platforms have stabilized.

A good example of that is Windows ME. It is Windows 98 with a few additional bells and whistles. Windows 98 SE, the last version of Windows 98, is now probably the most stable PC operating system available. It works, and will probably never be changed. I have decided that it will be the last operating system placed on two of my computers. These computers run my Chaos Trader RT software and real time data collector.

They run fine on Win98 but not on Millennium. Other machines I use run Windows 4.0. These may eventually get upgraded to Windows 2000, but for now they will stay as is. This will allow me to concentrate on all the applications of software that I have to upgrade. My Face Of God software has been upgraded to a Windows version. My Trading System Toolkit will be replaced this summer by Chaos Trader EOD. And my data collection software has been replaced by getdbcw. It is described on my website.

My goal is to have all my software rewritten by the end of this year.

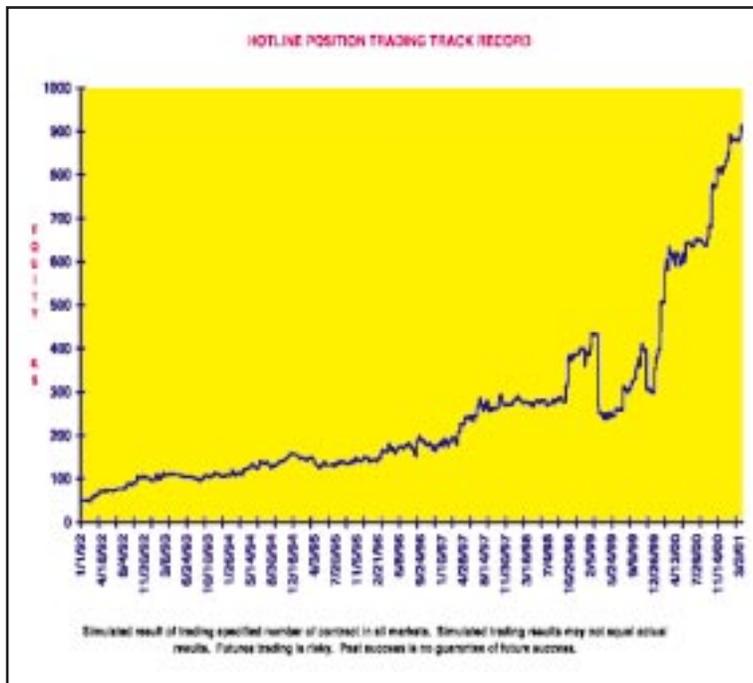


PEOPLE AND HAPPENINGS

This newsletter is published a week early to adjust my schedule for my trip to Australia. That trip is fast approaching and I am no where near ready.

I appreciate the many emails about the trip and other matters. Internet email has certainly made it easier to stay in touch with people and to respond to customer questions.

Summer is rapidly approaching and many of you will be making vacation plans. Remember that your days are numbered, so be sure to spend some of them doing something fun. My wife, Nancy, and I will be doing that after the Astroeconomics Conference and Seminar in Sydney. We will be taking a 13 day tour of Australia. You should plan something special for your life, too. 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.

The **Cash In On Chaos Newsletter** (formerly the Market AstroPhysics Newsletter) is published 12 times per year, between the 20th and the 31st of the month. Subscriptions are \$240 per year, including the AstroDow and Master Clock timing information. We may or may not hold securities mentioned. Sources of information are believed to be reliable, but are not guaranteed. Opinions and recommendations are given with the understanding that our sophisticated investors are aware of the risks involved. Past success is no guarantee of future success. Simulated trading results may over or understate actual results. CIOC Newsletter is written and published by Dr. Al Larson, PhD, RSA, CTA. 303-452-5566., fax 303-457-9871 MicroMedia, 4224 East 126th Ave., Thornton, CO 80241. Mastercard, Visa accepted. Hotline available daily (Chaos Trader's Email or Tomorrow's Market Email). Just \$99/Mo, billed for 3mos @ \$297, renewed automatically. Sign up at: <http://moneytide.com>

MARCH

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APRIL

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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)

Whether you realize it or not, you are being strongly influenced by a very powerful electrical force - the earth's electric field. This field produces currents through your body that are 250,000 times as strong as the currents that run your brain. Recognition of this fact, research, and experimentation have led former Bell Labs engineer and scientist Al Larson to a series of insights into many previously unexplained phenomena. His findings cover a wide range of topics, such as dowsing, the human aura, consciousness, bio-circuits, Feng Shui, natal astrology, stock markets, remote viewing, energy field medicine, de ja vu, dreams, and religious experiences. His own discovery of *sudden impulses* *shows how we are all connected by the field in a *Cosmic Internet**. Al provides a rational explanation of how these phenomena work through the earth's electric field, along with guidance of how this knowledge can be used to improve your own life. Do not miss this clear, concise, convincing explanation of how things work.

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