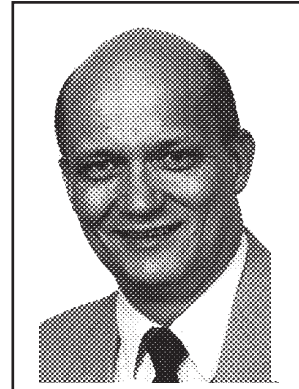
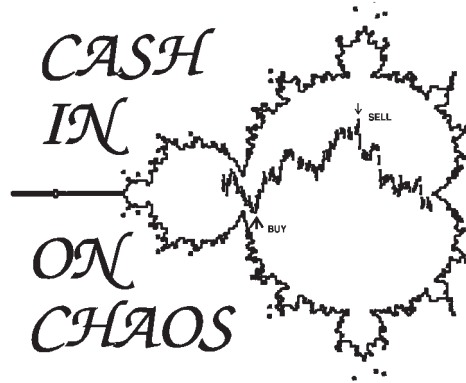


Yes,
you
can



<http://moneytide.com>
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CASH IN ON CHAOS NEWSLETTER - May 28, 2002-5

Stocks flurry, then flutter as the Sign in the Evening Sky dissipates. Tbonds rally for now. IBM still weak. Economy still struggling. Swiss Franc rallies more. Gold near short term top, after breaking out of the Mother of All Converging Triangles. Wheat rallies off low. Japanese market in rally. Aussie Death Line reviewed. The Moon says good-bye to the western planets. Chaos Clamshell pattern explained.

STOCKS

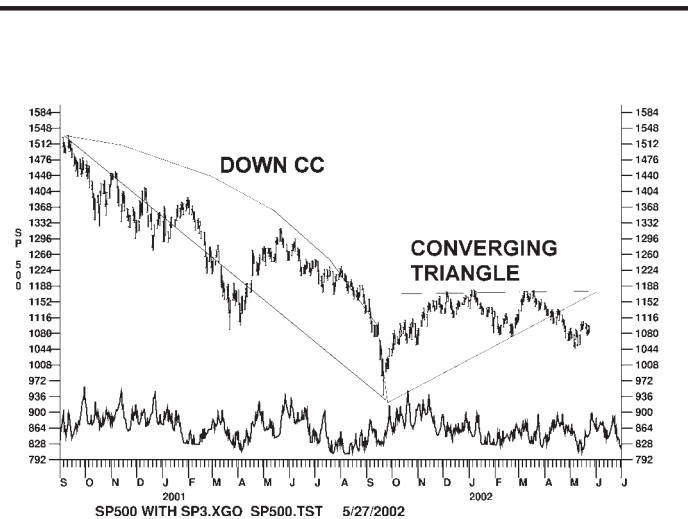
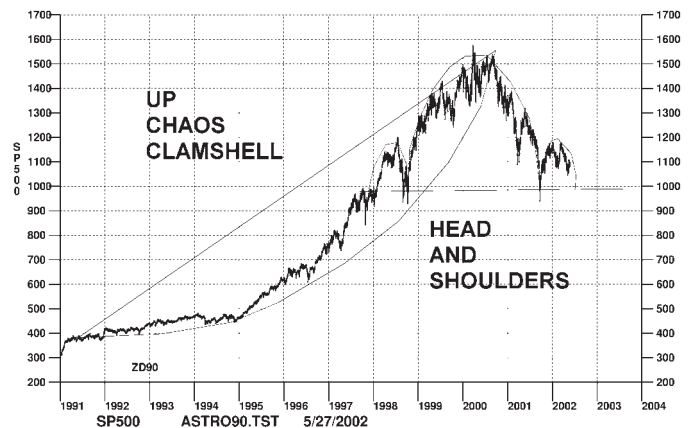
Stocks have held up temporarily, but now appear to be set for a further decline.

The long term chart shows the large head and shoulders pattern, which has a neckline at 990. Prices have hovered about the 1080 level, having been held up by the Sign In The Evening Sky. My research shows that such setting signs usually are bullish. After the signs complete, the lift they provided for the market disappears. That appears to be what is happening now.

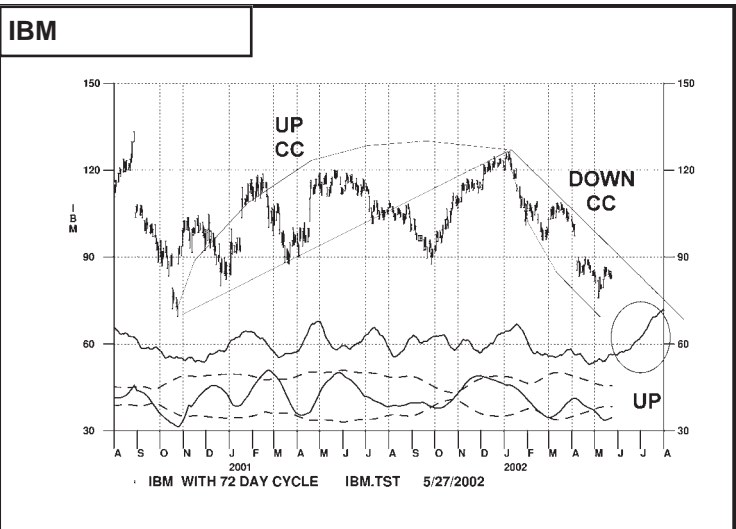
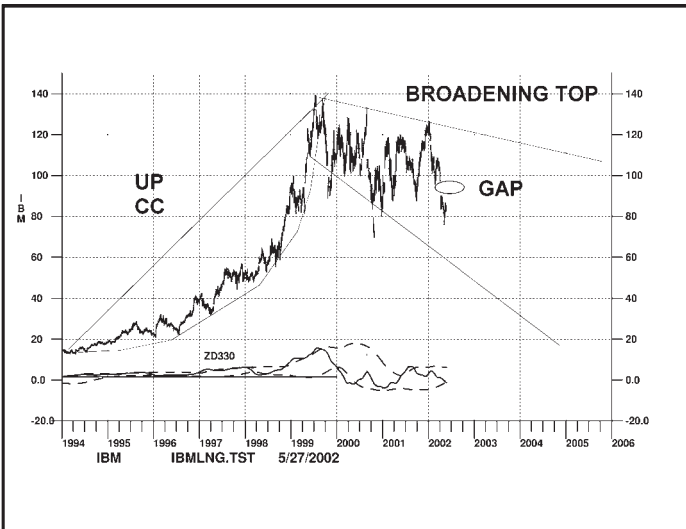
The near term chart shows the market for the last 20 months. After declining into a September 2001 low, the market has rallied and then formed a converging triangle. This is a thrust-congest pattern. The pattern will most likely develop into a thrust-congest-thrust pattern.

So rather than having a summer rally as normal, it appears that we will have a summer decline.

My stock screen of individual stocks shows very few opportunities. Investors should remain out of stocks until further notice.



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 continues to be weak. On the long term chart it is in the process of forming a broadening top. In the pattern the lows tend to be lower lows so there is a probability that IBM will decline below 70 and possibly as low as 60.

The near term chart shows the current down move is probably half of a down Chaos Clamshell. The energy curve, however, shows a rally over the next two months. Keep in mind, though, that energy forecasts do invert. A decline in IBM would be evidence of such an inversion.

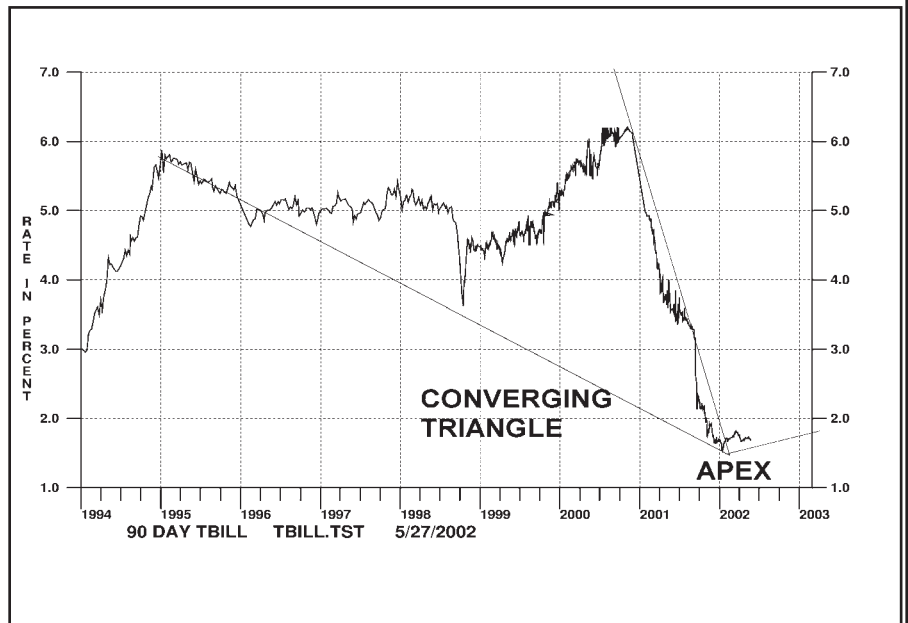
For stocks or commodities not covered in this newsletter or on the hotline, you can track the cycles and trade the Chaos Clamshells using the **Trading System Toolkit**.

ECONOMY/RATES

Interest rates have declined very slightly. The strategy by the Federal Reserve Board now seems to be wait and see. The fact that the Fed has not raised interest rates is not a particularly good sign. It means that they are not confident about the recovery in the US economy. Bankers do not like these low interest rates, and cannot tolerate them for too long. Sooner or later interest rates will rise. What the Fed seems to be looking for is solid evidence of corporate profits.

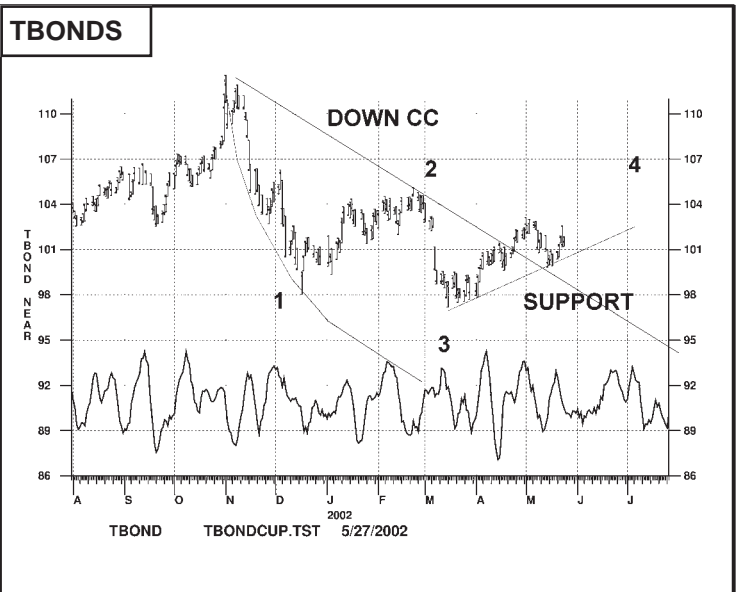
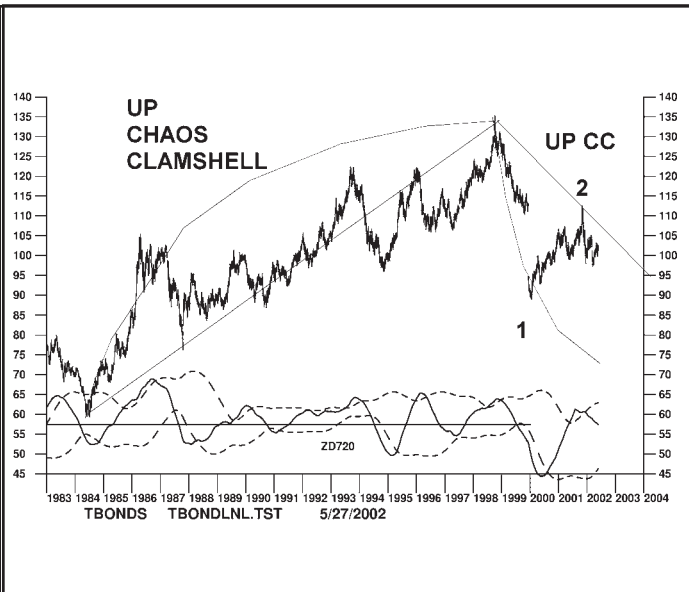
In my own local area, I am noticing something that I think is significant. This year more people than ever are fixing up their homes, re-landscaping, and improving their surroundings. There are also far fewer summer For Sale signs. This tells me that the slow economy has greatly decreased mobility. People are staying where they are. After the go-go 90's this is a sharp change in our culture.

The economic implications of this are that the old economy stocks will start to prosper. One good example is Home Depot. While not exactly an old economy stock, this is definitely a low tech stock. They sell everything you need to improve your home. They get a lot of my money. Every time I go to Home Depot it is busy, bubbling, and packed. Significantly, they are reporting booming profits. This is the type of stock to watch.



The only limit to our realization of tomorrow will be our doubts of today.

Franklin D. Roosevelt

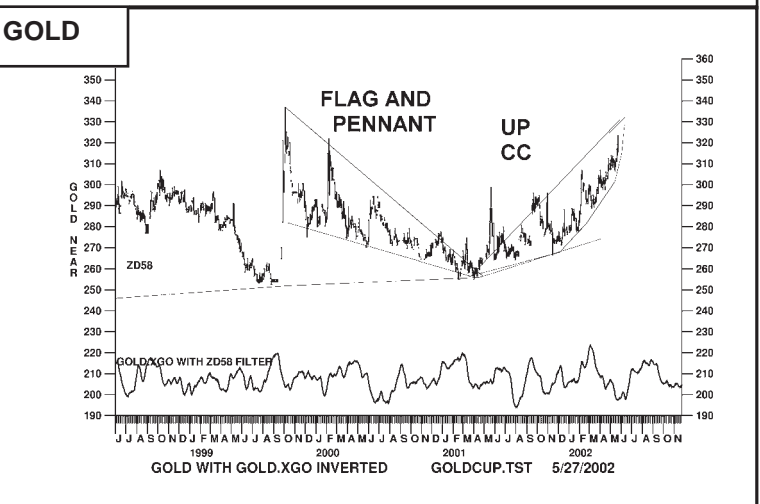
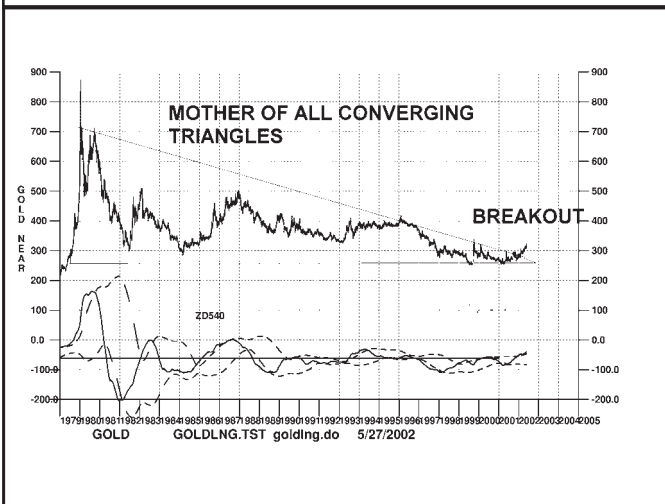


Tbonds are in a modest rally. The long term chart shows that the major trend of tbonds is down. They are currently in a move 3 in a down Chaos Clamshell.

The near term chart shows that the current rally is move 4 of the smaller CC that is move 3. This rally has a clear support line as shown. When that support line is broken, traders should short tbonds.

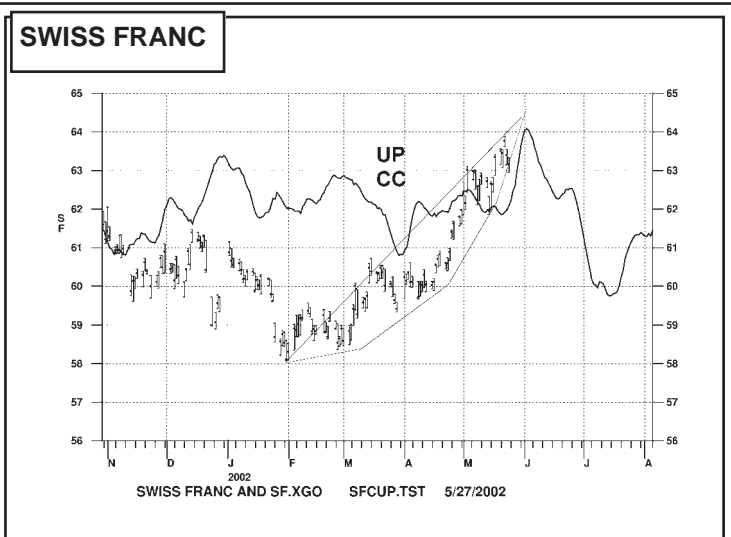
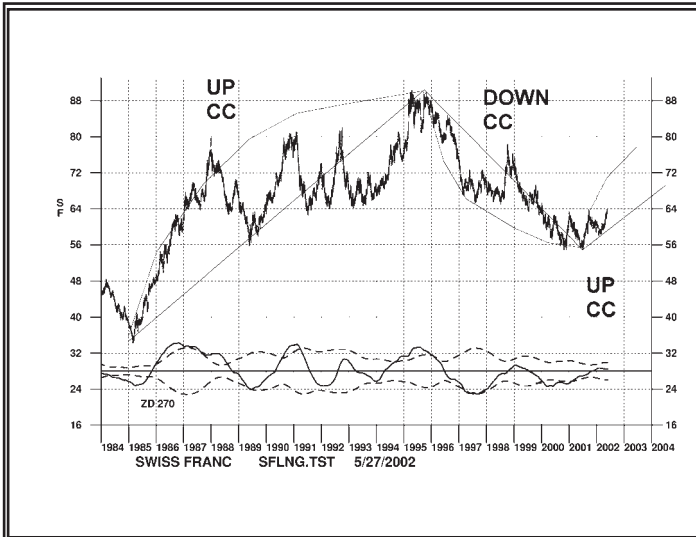
A man is literally what he thinks.

James Allen



Gold appears to be making a near term top. It has clearing broken out of the mother of all converging triangles shown on the long term chart.

The near term chart shows the recent rally forming an up Chaos Clamshell. This CC is probably move 3 in a larger up Chaos Clamshell. On the near term chart the flagpole and pennant form move 1 and move 2 of this larger CC. So, we can expect a decline in gold over the next few months, setting up a buying opportunity sometime this summer.

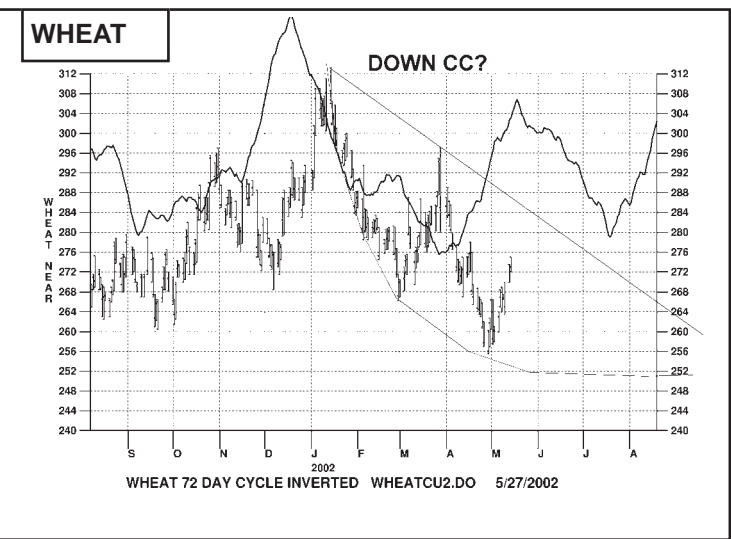
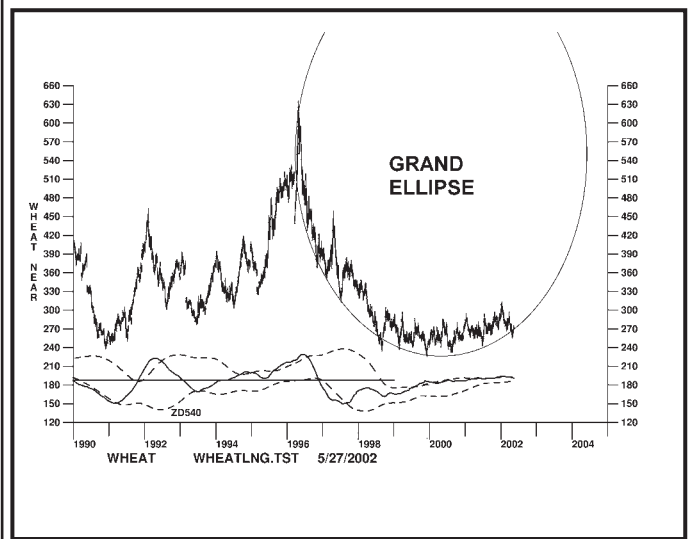


The Swiss Franc is nearing a peak in its rally. The long term chart shows that the Swiss Franc is making a new Chaos Clamshell. Within that CC, the current rally is move 3.

The near term chart shows that rally tracking the 55 day XGO energy fairly well. That energy is peaking this week. That peak should be followed by a 4 to 8 week pullback in a move 4. This should set up another buying opportunity in the Swiss Franc this summer. Interestingly, this is very much the pattern being shown in gold. This suggests a global movement of capital to markets that are safer than stocks.

There is always room at the top.

Daniel Webster

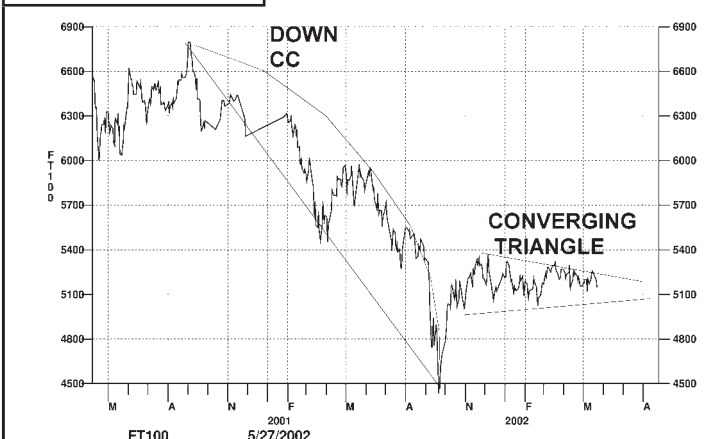
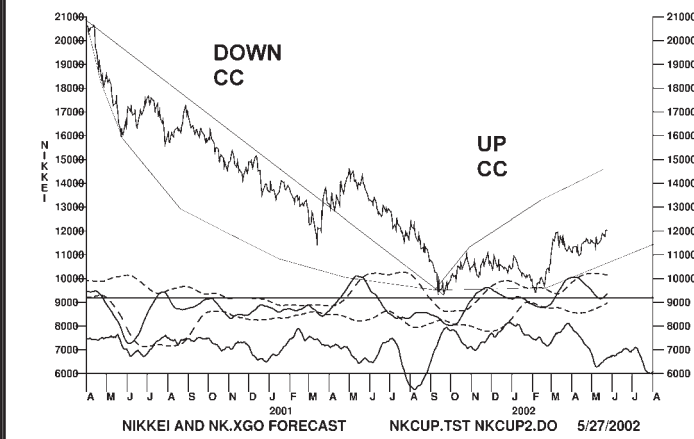


Wheat has rallied sharply since the last newsletter. With a slight enlargement in the Grand Ellipse, the recent low can be included in the large scale pattern. This suggests that wheat will still rally sharply over the next couple of years.

The near term chart shows the current rally may be reaching a short term peak. The energy curve shows another low in about six weeks. Hotline subscribers are long in wheat.

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.**

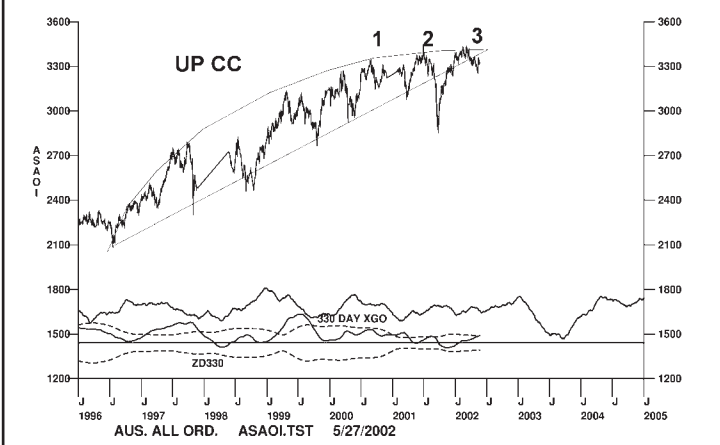
WORLD MARKETS



The Japanese market continues to rally. It has clearly changed directions suggesting, finally, an improvement in the Japanese economy.

The British market is trading sideways in a converging triangle. It shows much the same pattern as the US market, a down CC, a rally, and congestion.

The Australian market has continued to hold up, but is struggling to go higher. It shows a clear 3 drives to a top pattern. This market is in danger of breaking down sharply.



CHAOS CLASSROOM

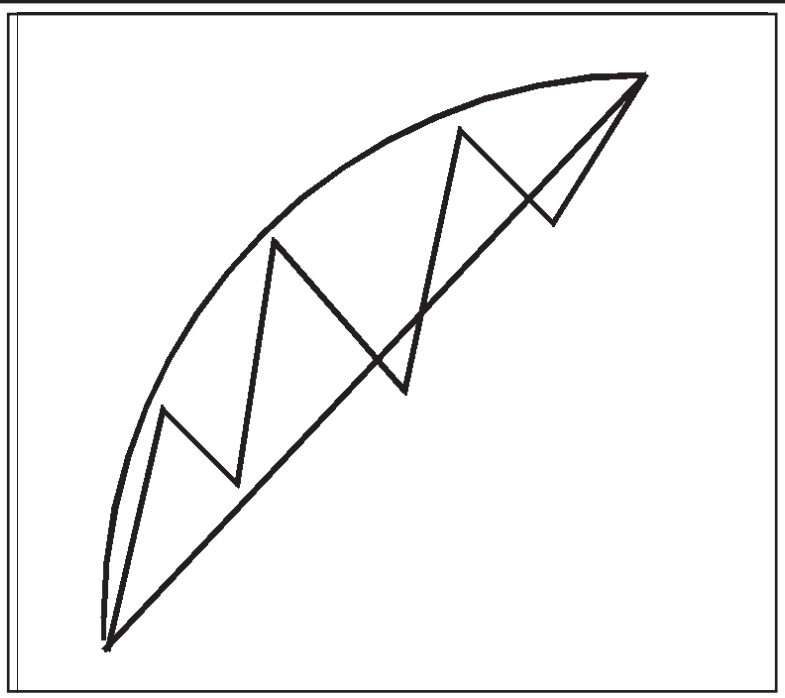
A recent email from a client in Brazil reminded me that I had not discussed the Chaos Clamshell recently.

This newsletter is full of Chaos Clamshell patterns. The general form of this pattern is shown in the drawing at the right.

The Chaos Clamshell consists of a straight line and an arc. Within that pattern there are typically 7 moves. The pattern can go up or down.

This pattern is the public version of a more complex pattern. The more complex version is taught in the Cash In On Chaos Course and the Fractal Of Pi Course. Each of these courses adds considerable detail to the pattern.

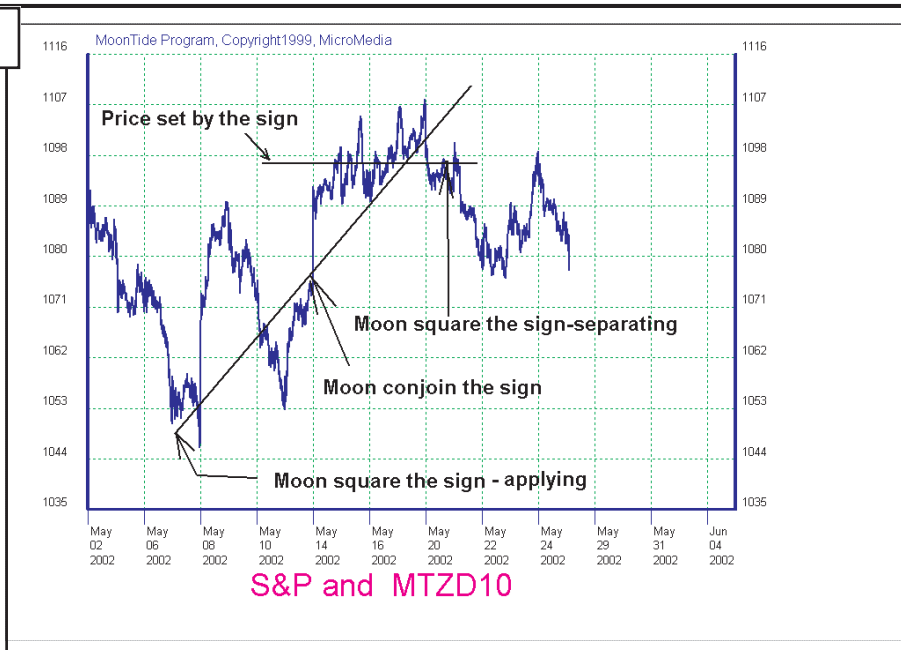
This pattern is a fundamental pattern in all freely traded markets. Knowing about the pattern, especially in its more detailed forms, can significantly improve your trading results.



ASTROPHYSICS AND CHAOS THEORY

For the past month we have been treated by a beautiful Sign In The Evening Sky. I wrote about this last month. The pattern is formed by the planets Mercury, Saturn, Mars, Venus, and Jupiter.

On my website I have written several times that these setting sign patterns tend to raise the market. This chart shows exactly how that happened. On May 7th the Moon squared the setting sign. This stopped a sharp decline going into May 7th. The market then rallied as the Moon passed through the setting sign. It rallied to the price set by the sign. After that it began struggling to go higher until the Moon again squared the sign as it was separating from the sign.



This “brushstroke” by the Moon is no accident. The 40 percent of market price action that is emotional is due to waves in the Earth’s electric field. One of the strongest contributors to those waves is the Moon. This is a classic example of its power.

All of the significant battles are waged within the self.

Sheldon Kopp

ENERGY

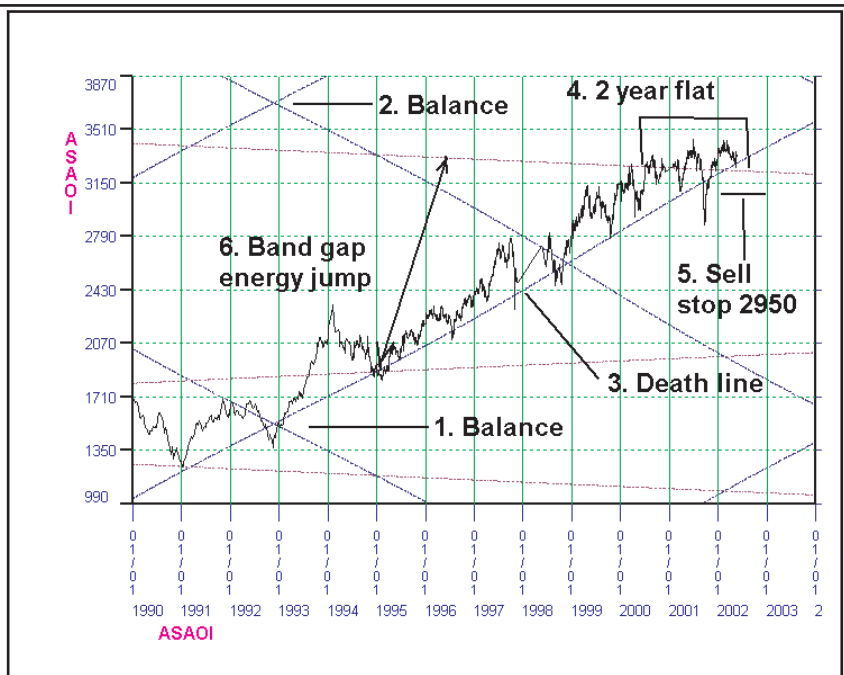
This chart shows the Australian market and key energy electric field flux lines.

The Australian economy is currently being touted as the best functioning in the world. Stock prices reflect that behavior.

But this chart shows cause for concern. The Australian began rising from a balance level of 1540. It will reach another balance level at 3770. These are shown at 1 and 2 on the chart. These balance levels are set between the gently sloping flux lines, due to Saturn. As shown at 6, prices have made a “band gap energy gap” from one Saturn flux line to the next. In doing so they have climbed along the death line shown at 3. This flux line is due to Jupiter.

As shown at 4, prices in Australian shares have traded near the Saturn flux line for 2 years. Now the question is, “Will they continue about the death line, or break down below the Saturn flux line?”

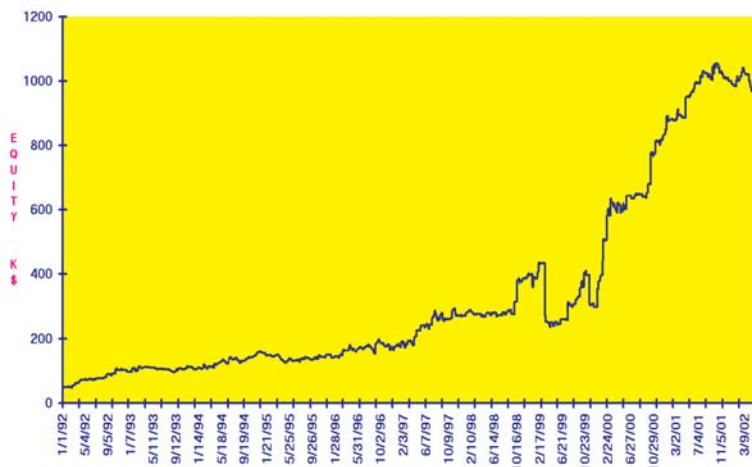
A trader need not know the answer. All that one need know is that if the Saturn flux line is broken, the market is in danger of a serious decline. This can be traded by simply placing a sale stop at 2950.



QUALITY IMPROVEMENT

Quality Improvement this month has focused on a new discovery. Early in the month we discovered a phenomena that sets the times of the intraday swings in the S&P. We have documented that discovery on our daytradingforecasts.com website. These times have improved our forecasting ability in the S&P, and over time should improve our One-A-Day trading results. Those results are already quite good, but anything can be improved. One simply has to keep working at quality improvement.

HOTLINE POSITION TRADING TRACK RECORD



Simulated result of trading specified number of contract in all markets. Simulated trading results may not equal actual results. Futures trading is risky. Past success is no guarantee of future success.

PEOPLE AND HAPPENINGS

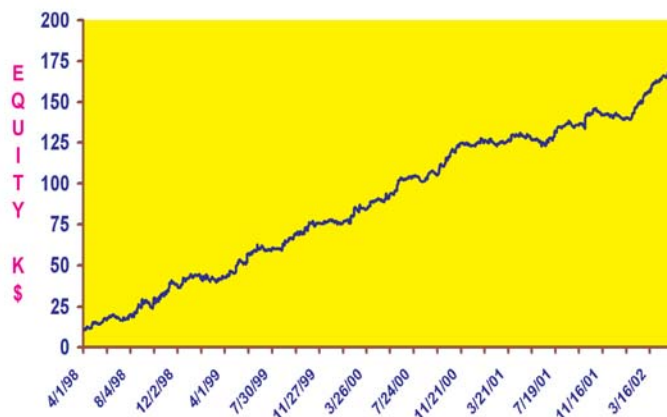
Somehow this month has flown by. We have had a large volume of phone calls and email inquires. We appreciate the interest in our work. Hopefully we have satisfied all of your needs.

One of our activities this month was to replace the computer that I use as my main email and programming machine. The old 300 megahertz Pentium III, 4 Gbyte machine has been replaced with a 1600 megahertz, 75 Gbyte machine. I am still reinstalling many of the applications that I use in my activity, but this new machine certainly runs circles around the old one.

Summer is almost upon us. If you haven't set your vacation plans, it is time to wake up and do it. Everyone needs a vacation, so be sure that you have planned a good one for yourself. I have.

All for now. See you next month.

MOONTIDE ONE-A-DAY EQUITY



Trading One Contract, \$50 Slip and Commission.
Futures Trading is Risky. Past success is no guarantee of future success.

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.

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Your Electric Life, Science for a New Age
 by Dr. Al Lason, Ph.D. (aka Dr. Hans Hannula)

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XGO CHARTS

XGO CHARTS FOR ANY MARKET OR PERSON. NEED DATE OF FIRST TRADE OR DATE OF BIRTH. I HAVE DATA FOR MOST STOCKS AND ALL COMMODITIES. CAN DO FOR ANYTHING OR ANYONE ELSE IF YOU KNOW DATE.

\$36. ENERGY CHARGING KIT\$72
 CONCENTRATION HEADBAND\$36
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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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Good until midnight June 30, 2002.