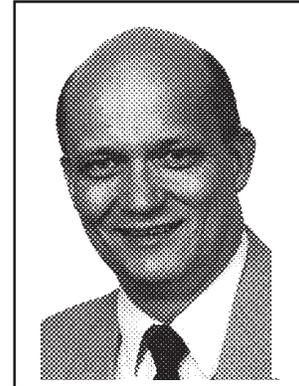
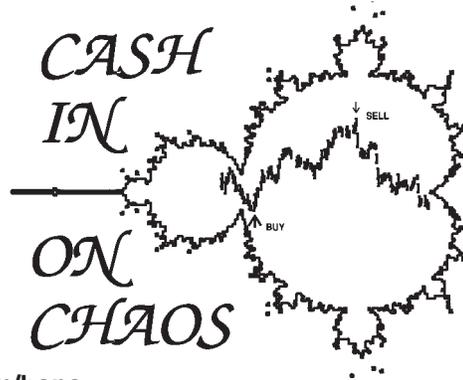


Yes,  
you  
can ....



[Http://www.cashinonchaos.com/hans](http://www.cashinonchaos.com/hans)  
<http://moneytide.com>

CASH IN ON CHAOS NEWSLETTER - JUNE 27, 2000- 00-6

Dr. Al Larson, aka Hans Hannula, voice 303-452-5566, fax 303-457-9871, email [allarson@moneytide.com](mailto:allarson@moneytide.com)

**Stocks continue summer rally. Tbonds trend upward. IBM ending congestion. Interest rates going down. Swiss Franc again set to rally. Gold remains weak. Wheat choppy. World markets looking a bit bullish. Feeling the "buzz". Another inversion event. ZD5 finds cycles.**

**STOCKS**

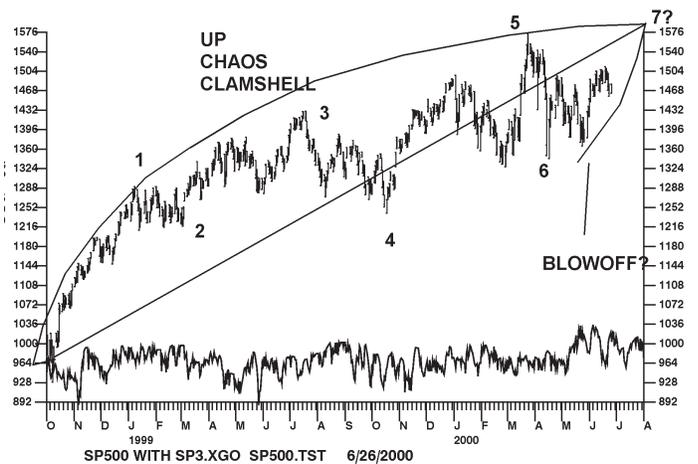
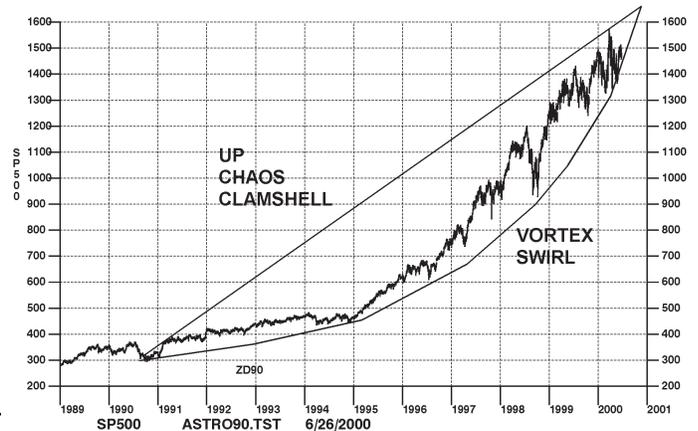
**Stocks have continued their summer rally, but without a lot of enthusiasm.**

Fractal expansion is a situation wherein a fractal pattern enlarges to become a fractal pattern of a larger size. In strongly trending markets fractal expansion is fairly common. The basic fractal covered in this newsletter is the Chaos Clamshell. In it's simplest form, it consists of a straight line and a curve, which I often call a Vortex Swirl. The long term chart shows such a pattern.

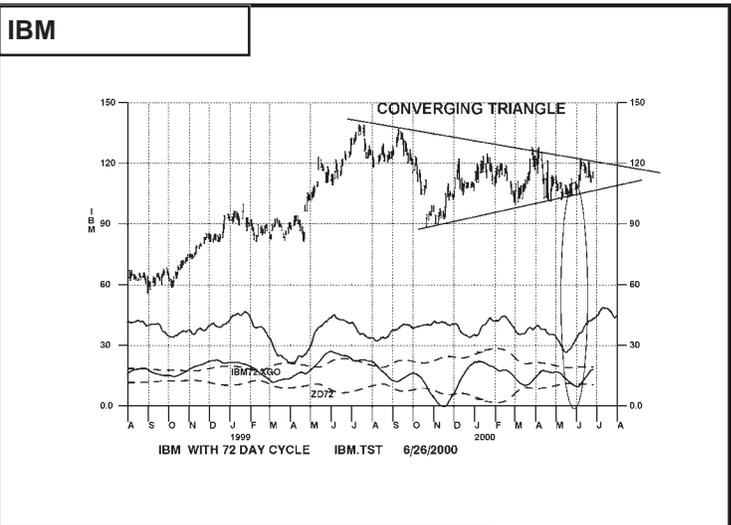
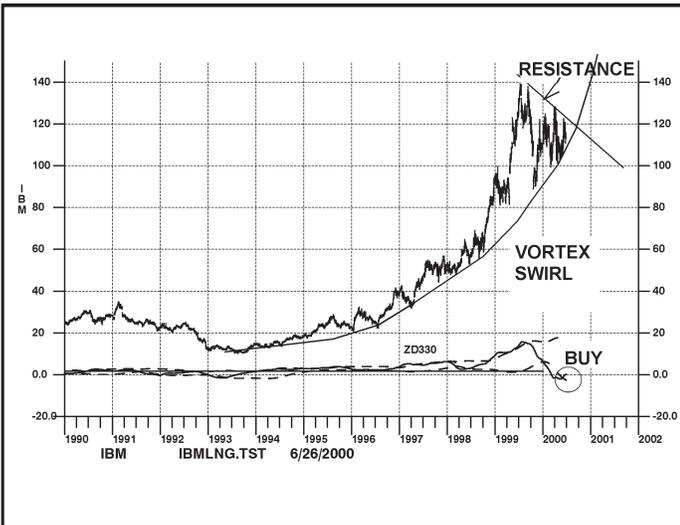
This up CC is larger than shown in previous issues. The area between the straight line and the Vortex Swirl forms a rising triangle. Prices now appear poised to move to the end of this triangle.

The near term chart shows a similar expanded CC. I have renumbered the moves within the CC, as shown. A Chaos Clamshell typically has 7 moves. The 7th move often is a blowoff move. The market appears ready to make such a move.

This move should complete by the end of July, setting us up for a downturn in the fall. This is a good rally to trade, but not necessarily a good investment opportunity. However, I have been seeing a few good buys in stocks, particularly in the profitable high tech and Internet sectors. Qwest is one example.



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 has formed a large converging triangle.** During a converging triangle, a stock is like a spring being wound up. When the convergence ends the stored energy is released in a big move. A converging triangle is a state of balance. Chaos is the study of balance, and the breaking of balance. The fast moves that occur after the balance is broken seem to come from nowhere. Those are chaotic moves.

IBM is now set to make such a move. The near term chart shows the converging triangle. The 72 day energy cycle is up suggesting that the breakout will be to the upside. One trading technique is to buy inside the triangle with a stop just below it.

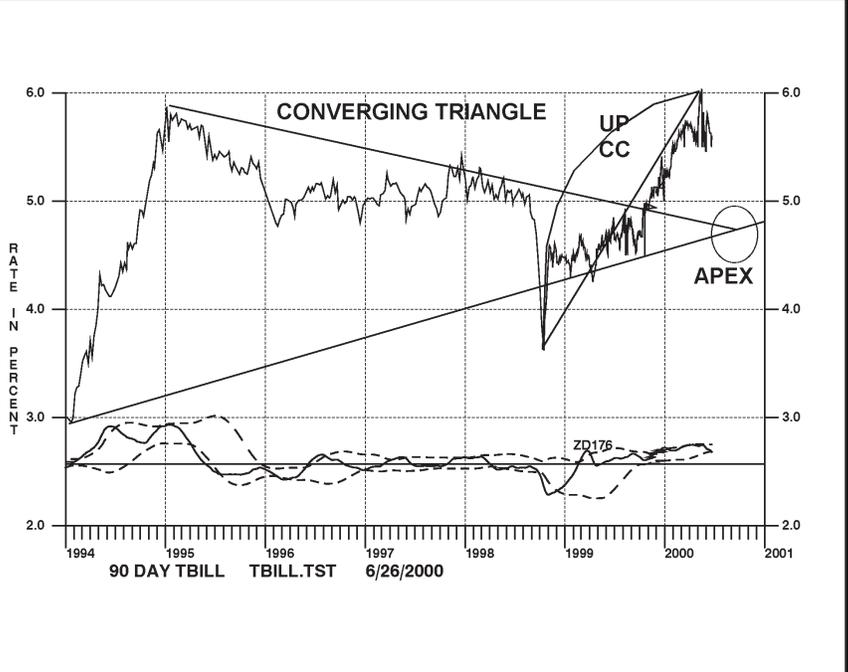
For stocks or commodities not covered in this newsletter or on the hotline, you can track the cycles and trade the Chaos Clamshells using the **Trading System Toolkit**.

**ECONOMY/RATES**

**Interest rates have continued to decline.** The signs that the economy has slowed a bit, it appears that the Fed will not hike rates again.

The chart shows a large converging triangle. The apex of that triangle should mark a low in interest rates, at least in time and possible in price. Such a drop in interest rates would be a boost to the market.

The economy continues strong. The greatest problem for most companies is getting enough qualified workers. High tech companies that a decade ago sought only employees with Master's Degrees have lowered their requirements to just a Bachelor's Degree, and in some cases to no degree at all.



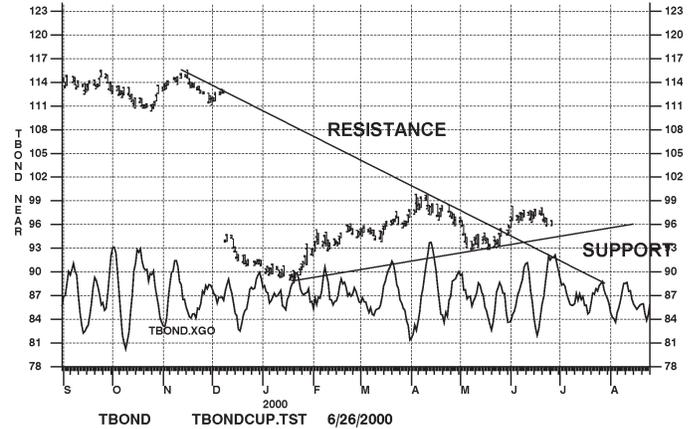
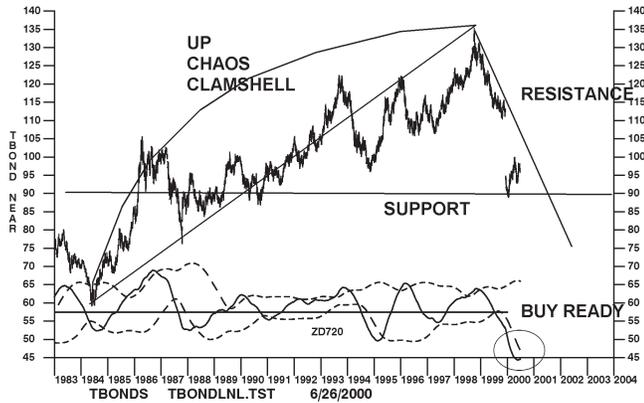
There was even a report on the news of Internet companies hiring high school graduates as web site designers. Having done a great deal of web site programming, I find this incredible. While it is true that a high school graduate may be able to type things into a computer and use some of the simpler tools, those without a college education do not have the background to properly architect a large web site. There are so many technologies involved, that it takes a solid knowledge of computer hardware, computer software, and communications technology to even undertake the job. The depth of knowledge required is incredible.

All this adds up to yet another risk factor for Internet companies. Before you invest in any of them thoroughly exercise their web site. If it doesn't fly, don't buy.

**The surest way to go broke is to sit around waiting for a break.**

Unknown

**TBONDS**



**Tbonds continue to trade in a narrow range.**

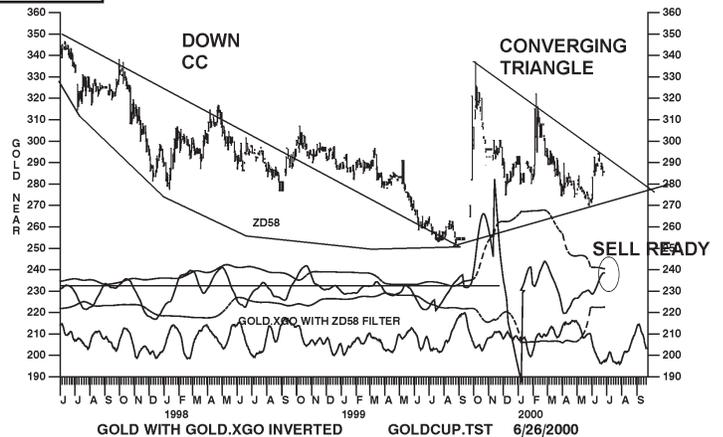
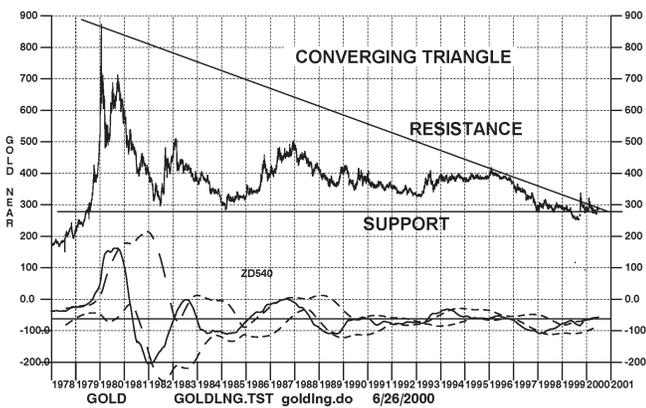
The long term chart shows prices trapped between the down-coming resistance line and support at 90. Since bouncing off the support line, prices have moved up enough to turn the ZD720 up, putting it in a Buy Ready State.

The near term chart shows the rally of the restructured Tbond contract. It has broken above the near term resistance line and is holding support above a rising trend line. If interest rates decline as expected, Tbonds could rally sharply off of this support.

**Little minds attain and are subdued by misfortunes; but great minds rise above them.**

Washington Irving

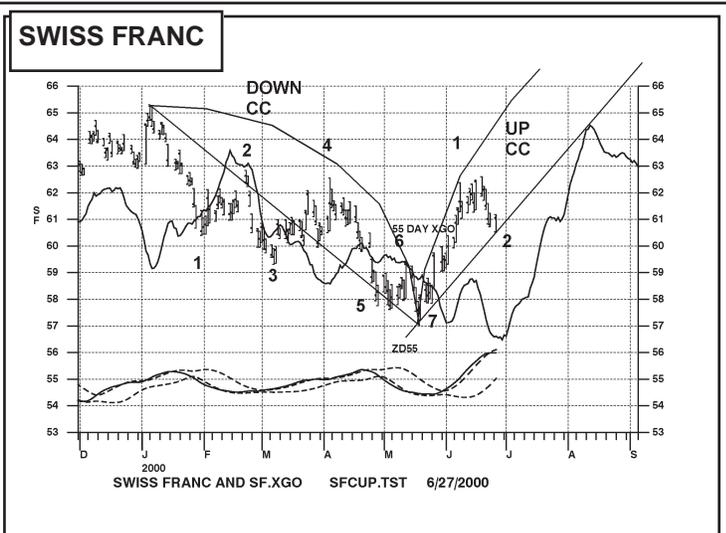
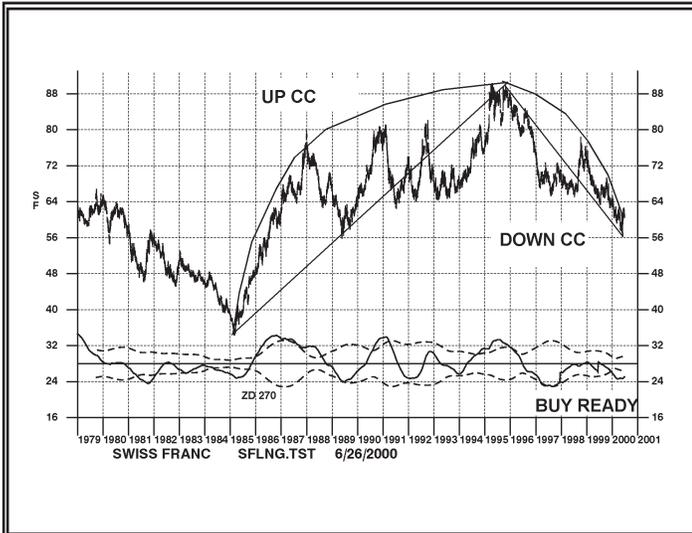
**GOLD**



**Gold continues to trade in a converging triangle, both on the long term chart and the near term chart.**

The long term chart shows a 20 year long converging triangle, with gold prices trading at the end of the triangle. However, this end keeps getting pushed further to the right as time goes on. But sooner or later the energy trapped in this triangle will be released.

The near term chart shows what may have been the end of the larger triangle. Prices broke sharply last fall but have now settled into another converging triangle. This convergence should end in a few months. Until then I expect gold to remain dull.

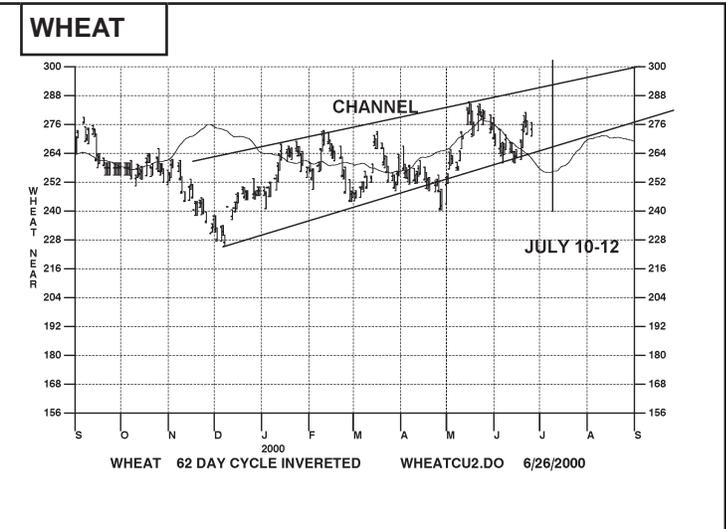
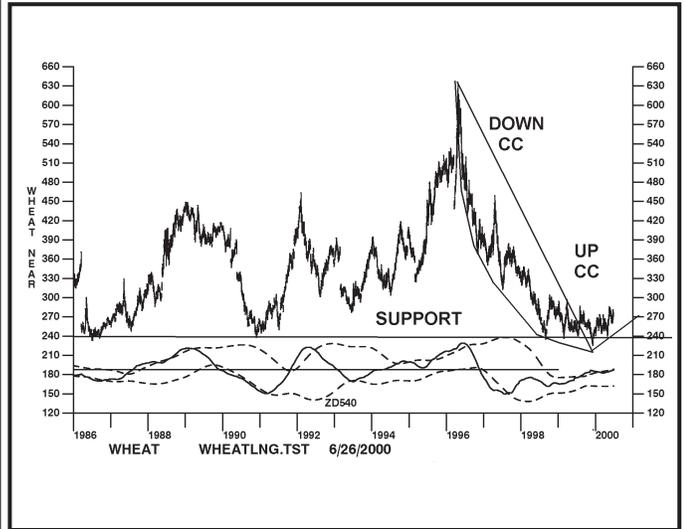


**The Swiss Franc continues to look bullish.**

The long term chart shows an up CC followed by a down CC, which appears to have ended. The ZD270 is Buy Ready, indicating a significant low.

The near term chart shows the sharp rally off of the May low. The pullback from this rally fits the pattern of the 55 day XGO energy cycle. That energy cycle now rises sharply. So this looks like a good time to be long in the Swiss Franc.

**Nothing is impossible to a willing heart.**  
John Heywood



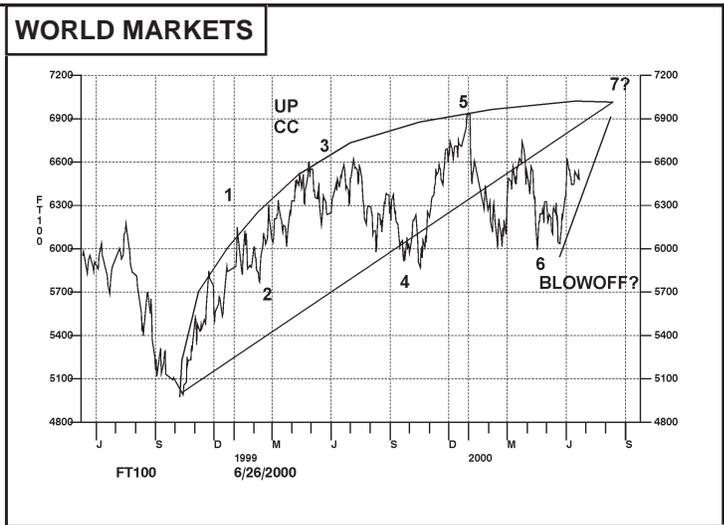
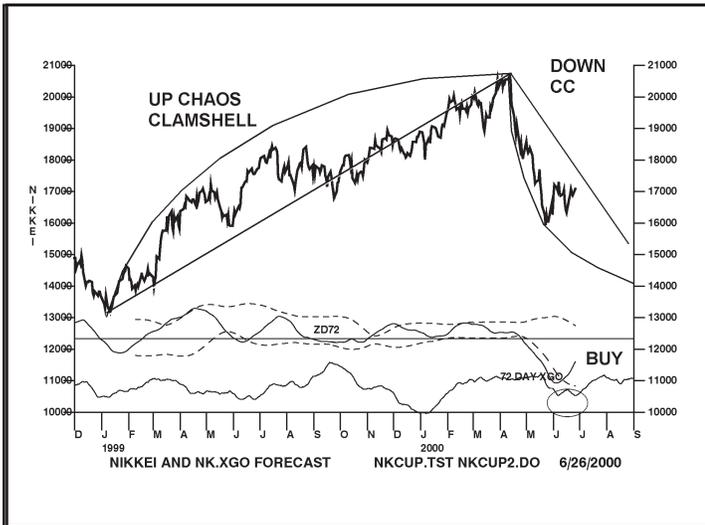
**Wheat continues to thrash in a narrow trading range.**

The long term chart shows that wheat has formed a bottom on the historic 240 support level. It appears to be trying to rally off of this bottom, but is struggling.

The near term chart shows the choppy nature of this struggle. While there is a modestly rising channel, the slope of the channel is modest. A key turn is setting up July 10-12. If prices dip into this time frame, we should see a fairly decent rally. If they rally into this time frame, we will see a decline. The ZD62 says that the move following that turn will last a month.

The best trading technique would be to trade counter the short term trend near July 10th.

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 \$99.**

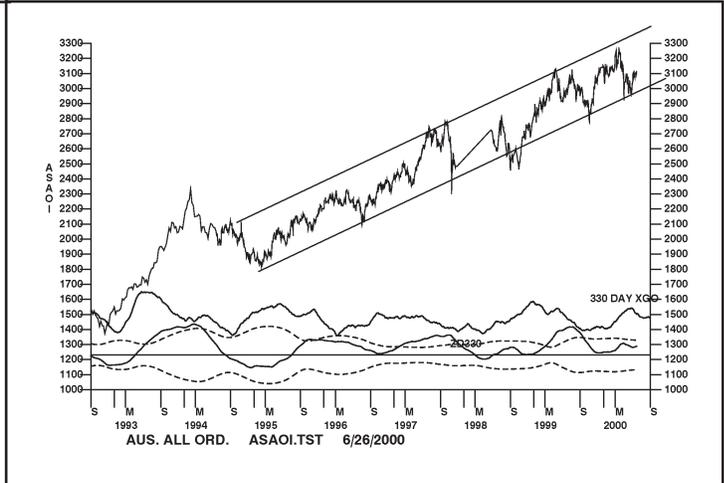


The Japanese market is making a modest rally in a down Chaos Clamshell. I expect that rally to last 4 to 6 weeks.

The British market looks to be in a move 7 blowoff in an expanded CC. The pattern is practically identical to that of the US market.

The Australian market continues in an up trend channel. It is trading the lower side of that channel, but it looks like the channel bottom will hold.

Over all, it looks like world markets are in for a few months of rally.



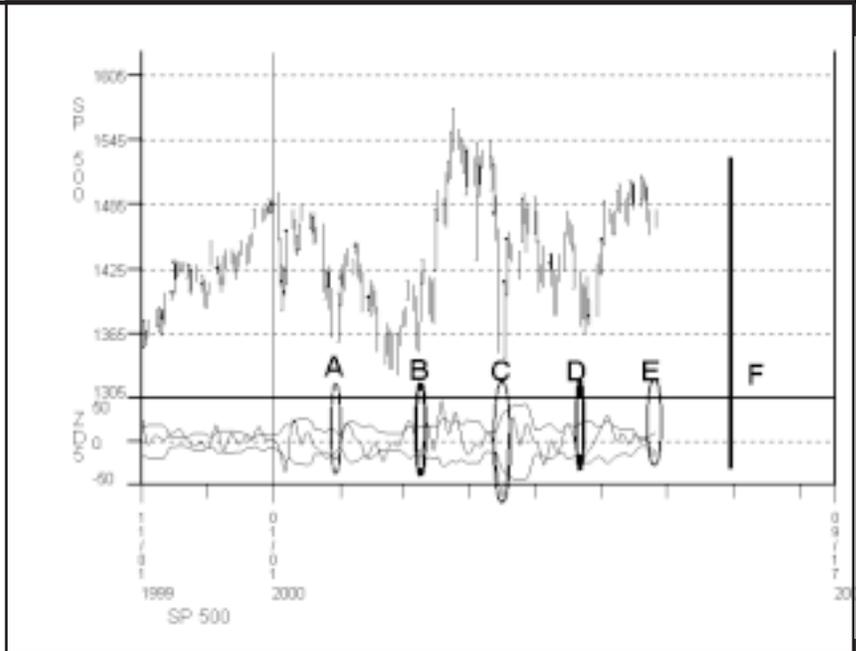
### CHAOS CLASSROOM

The chart at the right shows how I use my Zero Delay filter to help find cycles.

The Zero Delay (ZD) filter is an energy filter that measures the energy in a market at a particular frequency. It has two nice properties:

1. The filter turns when the market turns, without delay (hence, Zero Delay).
2. The filter tracks cycles over a 2 to 1 frequency range. This means it will find cycles whose length varies due to chaotic conditions.

Note the lows in the ZD5 cycle shown at A, B, C, D, and E. These points are evenly spaced, showing evidence of a consistent cycle. However, there is no low at the proper place before A. This is because cycles fade in and fade out. So as a trader, you must use them with caution.



After find a set of cycle lows like this, one can take the average interval between the lows, and use it to project the next low. In this case there are 147 days between A and E, making the spacing 36.75 days. Adding that to E makes the next forecast low at F to be August 1st.

## ASTROPHYSICS AND CHAOS THEORY

In March I wrote about the causes of an inversion in my Hand Of God forecast.

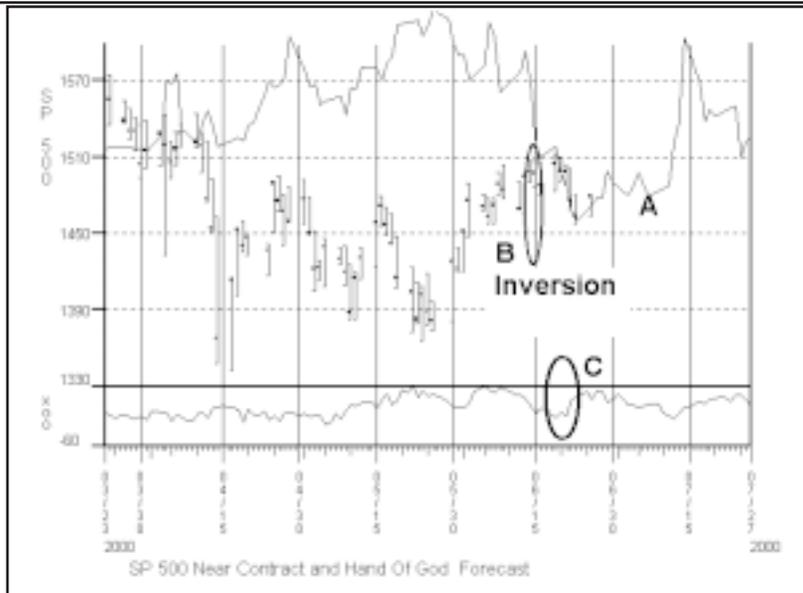
Another inversion has occurred in that forecast, so it is important to again note the cause.

The most recent inversion occurred near June 14th. I have found that inversions are associated with planetary conjunctions and oppositions.

In March, we had Mercury conjunct Venus. This time we had Venus conjunct Sun on the 11th, and on the 16th we had Mars, Venus, and Sun conjunct at 90 degrees. Add to that it was a full Moon. This came just a few days before the summer solstice on the 20th.

Those of you who have read my book, "*Your Electric Life*", may be familiar with "The Conjunction Resonator". This mechanism explains how conjunctions and oppositions form mathematical singularities in the energy fields. That is the fundamental cause of the inversions.

As a trader, this means to be alert for inversions when the cycle you are following has shown a tendency to invert on conjunctions of a particular set of planets.



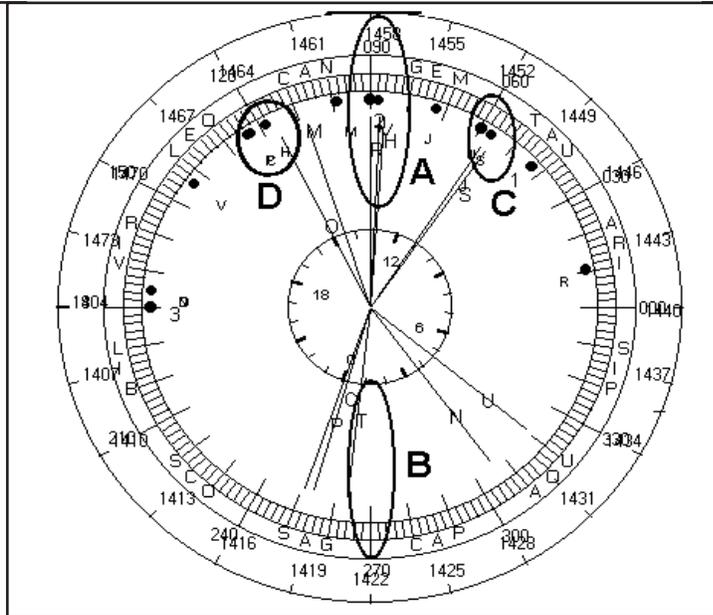
## ENERGY

Throughout the world, every culture has developed practices such as planting and fishing by the phases of the Moon. I believe that awareness of the proper use of the Moon's energies comes from physically feeling those energies and their effects.

We have a common situation where the full Moon tends to make people feel "giddy" and "in love." Similarly, the new Moon often brings a sinking, "down" feeling.

With the right tools, one can deepen the understanding of why these feelings occur. The tool I use is my WinGephi program. I had a chance to use it this month when a trader friend called and asked me why he was feeling so "buzzed." He felt so unusual that he had stopped trading.

One quick look at the ephemeris wheel showed why. Three of the spokes of his "natal antenna" (see "*Your Electric Life*") were picking up strong energy signals. His natal Moon spoke was picking up Sun, Venus, Mars, and Moon, shown at A and B. His natal Sun spoke was picking energy from the Moon's Node at D. His natal Uranus and Saturn spokes were picking up the energy from Jupiter and Saturn. The "buzz" was high frequency energy, which comes from the close spacing of these planets. The strength of the "buzz", in his case, came from the fact that his natal Moon was so highly energized. My friend is, indeed, a sensitive instrument. And he's smart enough to know it.



## QUALITY IMPROVEMENT

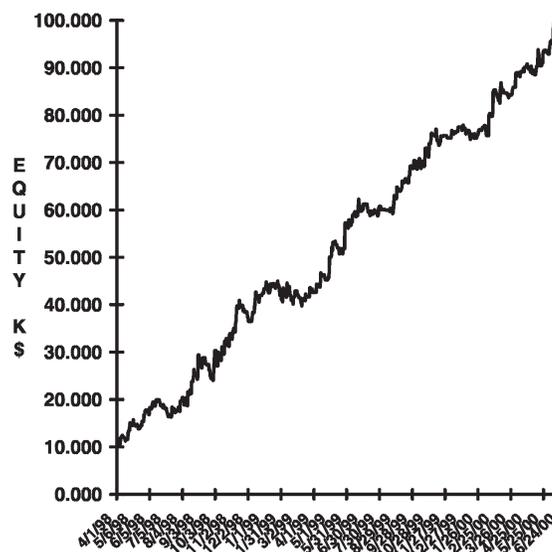
### When I was at Bell Laboratories, we had a big push to train everyone in Process Quality Management (PQM).

All of us became well versed in the concepts and methodology. That methodology can be applied to trading. A key part of the methodology is to understand your process, and perform it consistently. One of the major lessons from PQM is not to change the process without long term evidence that a change is required. PQM teaches how to monitor the average trend of a process, and not react to short term variations. These short term variations often cause people to suddenly change their process without solid data that the change is required. This often happens to day traders, especially in the S&P. One bad day may cause a trader to throw a perfectly good trading system out the window.

My One-A-Day trading program (available via Tomorrow's Market Email) works to avoid that. I use MoonTides to forecast one good move to trade each day. I make up mechanical rules to execute the trade. Then the trade is executed. The equity curve shown at the right is the result.

So whether you use my system or one of your own, execute it consistently. If it's a good system, it, too, will have a nice equity curve.

## MOONTIDE ONE-A-DAY EQUITY



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

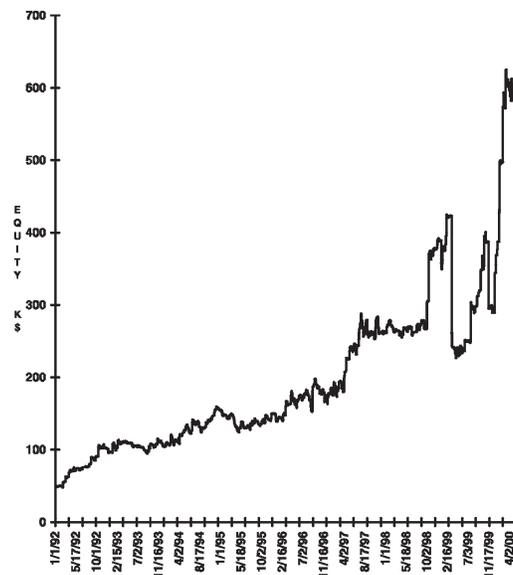
## PEOPLE AND HAPPENINGS

Last month I reported on how busy May was here at Chaos Manor. Things have slowed a little bit here in June, but are still busier than normal. My son and daughter-in-law are staying with us while waiting for their new house to be completed, and my 14 year old nephew stayed with us for 2 weeks while his parents vacationed in Hawaii. So besides keeping up with the markets, doing research, and programming, I also took the opportunity to teach Patrick a few skills. By the time he left, he had created his own little web site, built a TV-stereo stand, and chopped up a huge pile of branches blown off one of my trees. It was all great fun.

July and August will see us camping in the Rockies. Then my wife and I will be taking a two week vacation to Hawaii and California.

I hope your vacation plans are also set up. Everyone needs to recharge their batteries. Make sure you charge up yours.

Happy Trading! See you next month.



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.

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.** Visa and Mastercard taken.

The **Cash In On Chaos Newsletter** (formerly the Market AstroPhysics Newsletter) is published 12 times per year, between the 1st and the 25th of the month. Subscriptions are \$250 per year or \$300 to include subscription to the AstroDow and Astropoint timing service. 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. MAP Newsletter is written and published by Dr. Hans Hannula, PhD, RSA, CTA. 303-452-5566, fax 303-457-9871 MicroMedia (The Chaos Mint), Box 33071, Northglenn, CO 80233. 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://www.cashinonchaos.com/hans>

JUNE						
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				V		
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V						
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JULY						
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23	24	25	26	27	28	29 <sup>M</sup>
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V						

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 earths 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 earths 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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