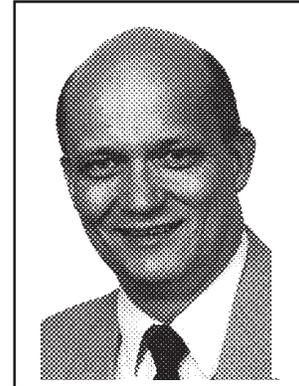
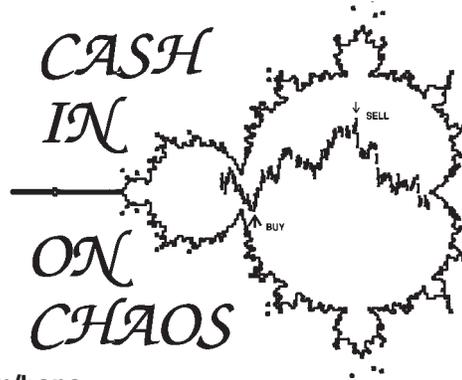


Yes,
you
can



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CASH IN ON CHAOS NEWSLETTER - JULY 25, 2000- 2000-7

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

Stocks continue sluggish summer rally. Tbonds trend weekly upward. IBM still congesting. Interest rates spike higher. Swiss Franc rally fizzles. Gold dead. Wheat drops to historic lows. World markets bullish but nearing tops. Charging up. 2000 forecast update. A peek ahead.

STOCKS

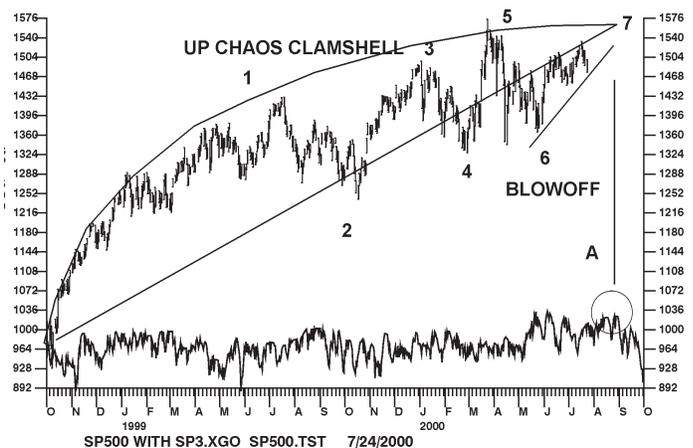
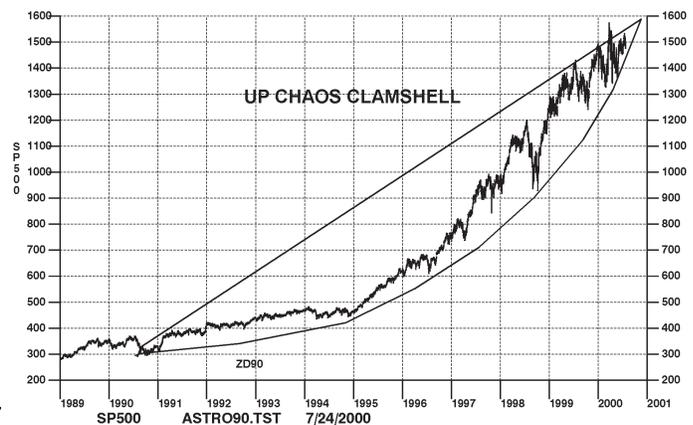
Stocks have worked modestly higher in a sluggish summer rally.

The long term chart shows that this is part of a topping pattern at the end of a decade long Chaos Clamshell. This pattern still has room to make higher highs, but they will probably not last long.

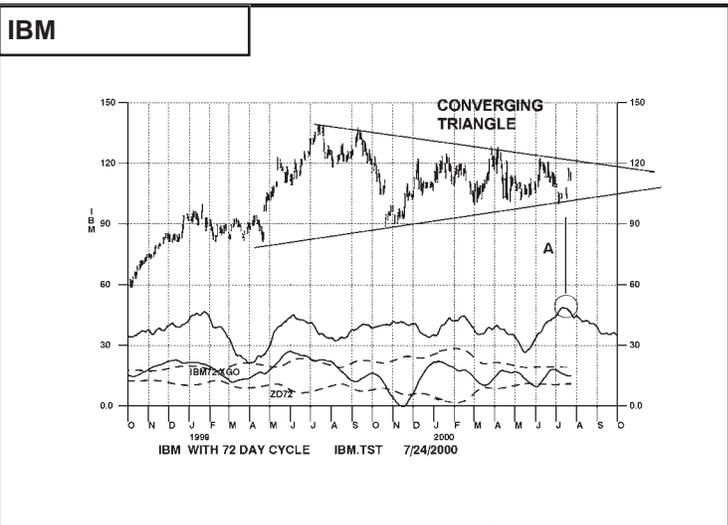
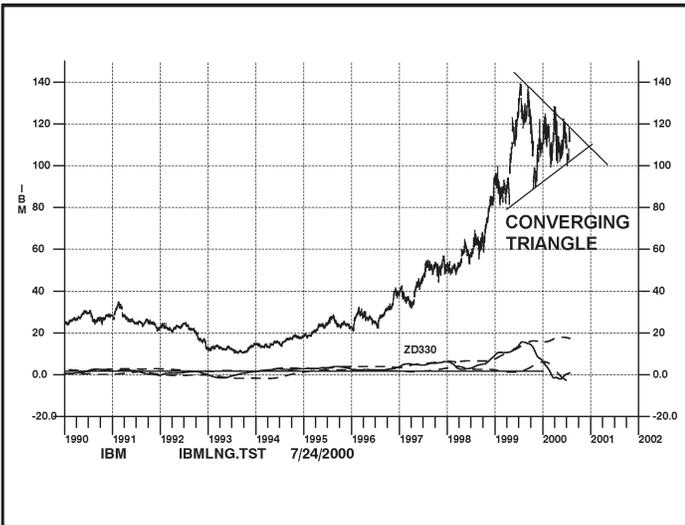
The near term chart shows the up Chaos Clamshell from the October 1998 low. In this two year pattern, one can see the slowing of momentum. Progress has been much more difficult in 2000 than it was in 1990.

However, this Chaos Clamshell is in move 7, which can take on a blowoff characteristic. Such a blowoff could peak out near the end of August or continue into early October. The SP3.XGO energy function peaks at point A on the chart. Our 2000 forecast, based on a 54 day filtered version of this energy, peaks out in early October. This is discussed later in the newsletter.

This choppy market has made both position and day trading difficult. It is important during these periods not to overtrade. You can only trade what the market gives you. So this is a period of time to go for small quick profits and not the home run.



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

IBM continues to trade within its large converging triangle. As shown on the long term chart, this appears to be a “triangle top.” To confirm this top the triangle must break to the downside.

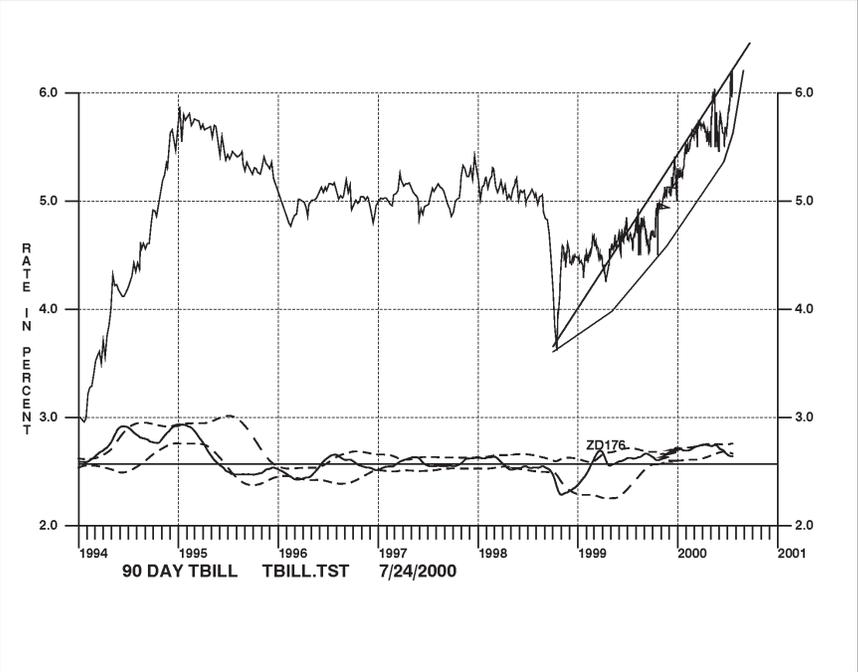
The near term chart shows a close-up of the same triangle. A clue about which way the triangle will be broken is available from the 72 day XGO energy function. As shown at A, that energy function is now turning down. So at this point, this looks like a distribution top in IBM.

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 spiked higher this month.

The Fed has now tightened interest rates to the point that the economy is showing clear signs of slowing. Being that this is an election year, the Fed will probably not make any drastic changes between now and the election. While the Fed is an independent body, it is not nonpolitical. While the Fed has been very cautious about being viewed as a tool of either the Republicans or the Democrats, they are even more cautious about the prospect of being blamed for either parties defeat in a Presidential election. That usually means that they take a hands off approach during the later months of an election campaign. So I do not expect the Fed to make any moves between now and November.



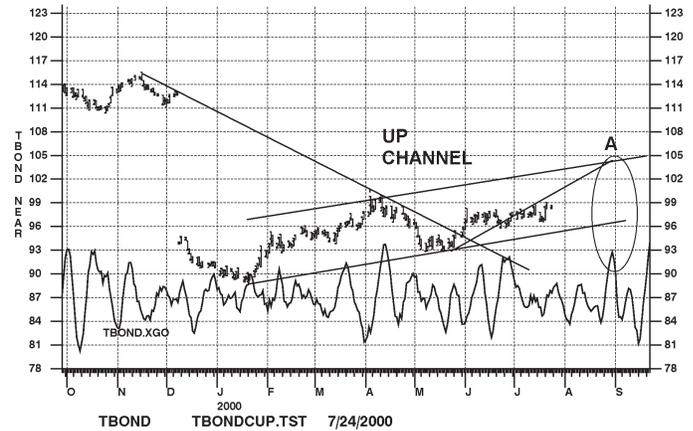
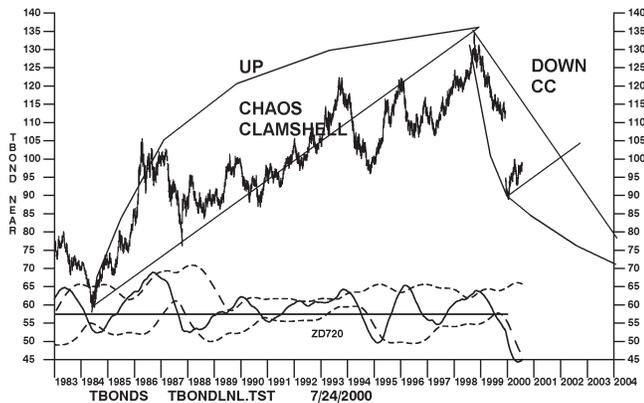
The recent market rally did show some strength in the Internet stocks. After the NASDAQ stumbled earlier this year, investors have been taking a much harder look at which of these Internet companies would make money. Despite the odds, there are companies who will make money on the Internet, and lots of it. This is because the Internet marks a fundamental change in global communication. With Internet email people can communicate worldwide for free-and free of censorship. Freedom has been the major driving force of human development, and has now accelerated because of the Internet. This means more free trade, open markets, and opportunity.

I expect this opportunity to exist for the next several years. If you focus your stock selection on quality Internet stocks, you have a good chance of not only protecting your nest egg, but growing it substantial. Use the dips in the market to accumulate these stocks.

For the resolute and determined there is time and opportunity.

Ralph Waldo Emerson

TBONDS



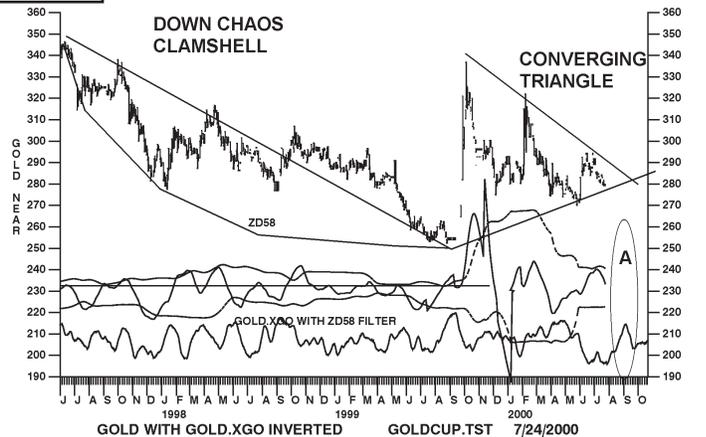
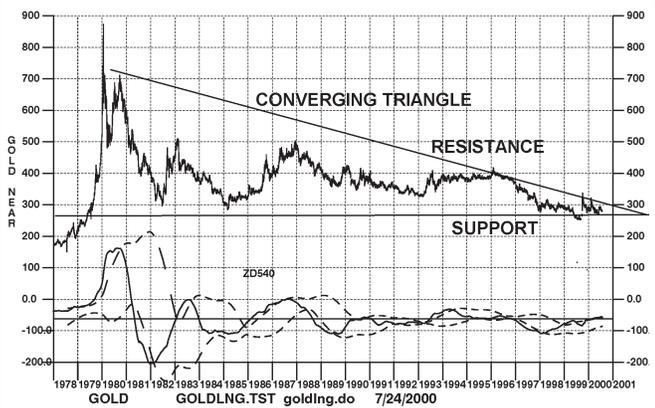
Tbonds continue in a weak uptrend. Since the adjustment of the bond contract at the beginning of the year, bonds have held above the 90 support level, despite the interest rate hikes. They could trade in this range for some time to come.

The near term chart shows the up channel. Within that channel there is a rally, a decline, and another rally. The second rally has the potential of reaching point A by early September. The energy function shows a sharp peak there, similar to the one that ended the first rally. So it looks like bonds will creep higher until then.

A will find a way.

Orison Swett Marden

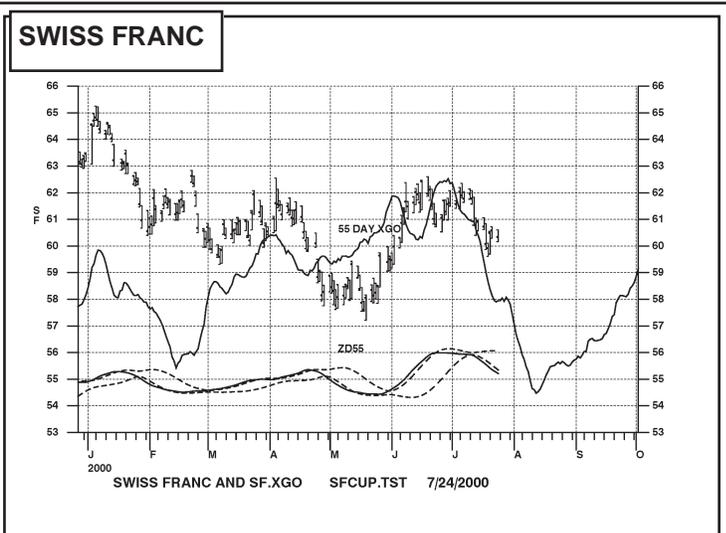
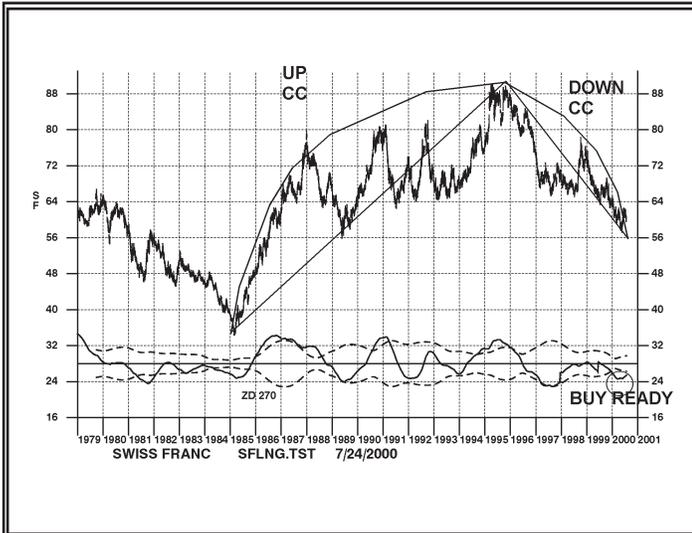
GOLD



Gold continues to congest, both on a long and a near term basis. The long term chart shows the 20 year long converging triangle. The base of this triangle is about 280. Even though this base was previously broken earlier in the year, prices have returned above that level and the base is holding.

The near term chart shows a smaller converging triangle. This triangle appears to be the start of a new up Chaos Clamshell. Chaos Clamshells frequently start with a thrust followed by a converging triangle. If the triangle breaks to the upside, a seven move pattern will tend to build off of the thrust (move 1) and the triangle (move 2). This possibility is shown at A, where the 58 day XGO cycle thrust sharply upward.

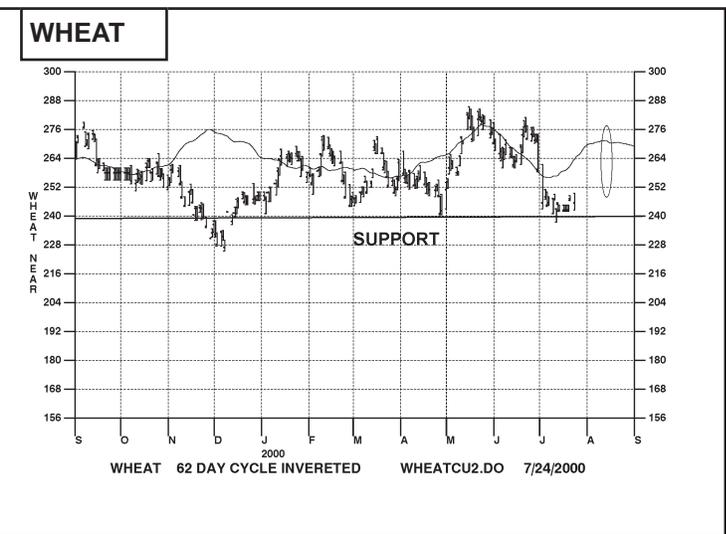
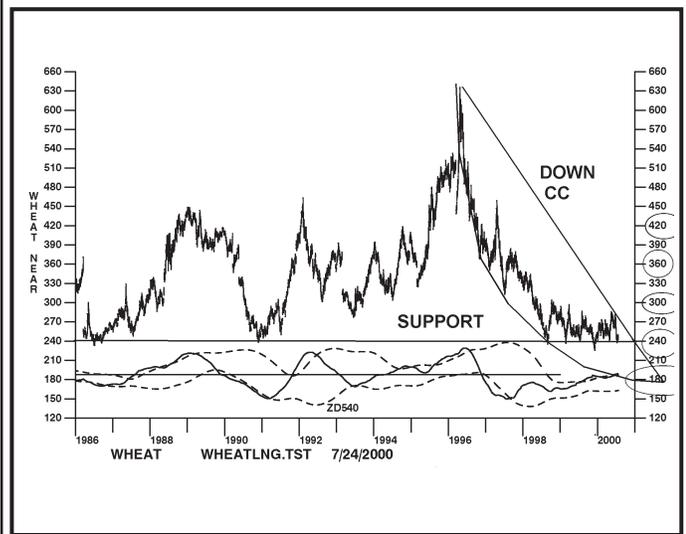
The way to trade this possibility is to trail a buy stop above the recent decline.



The Swiss Franc rally fizzled. Prices have pulled back enough that they have kept the ZD270 cycle (on the long term chart) in buy ready mode. A buy signal has not been generated by that cycle.

The reason for this appears to be an inversion in the 55 day XGO energy cycle. This cycle now appears ready to bottom near August 10th. I anticipate that this low will test the previous low near 57-58. Following that, a 6 week or longer rally is probable. So this could be a good buying opportunity.

Remember, you will not always win. Some days, the most resourceful individual will taste defeat. But there is, in this case, always tomorrow-after you have done your best to achieve success today.
Maxwell Maltz

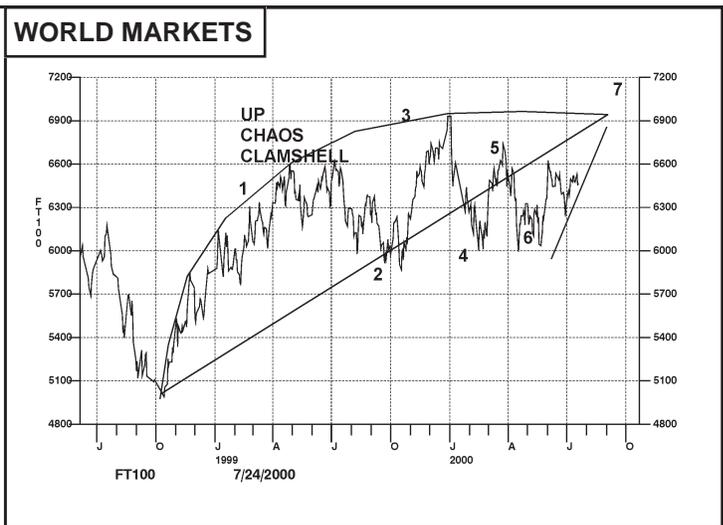
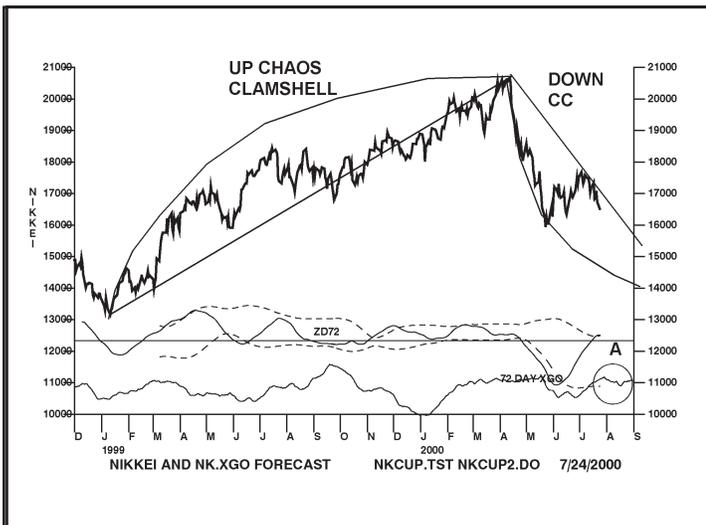


Wheat has again fallen to the 240 historic support level. The long term chart shows a possible down Chaos Clamshell from the 1996 high. That Chaos Clamshell reveals the possibility that wheat could drop to 180. Should this happen, farmers will be hard hit. There will be bankruptcies, foreclosures, and political turmoil.

The near term chart shows that this possibility should not occur this month. The 62 day energy cycle is up for the coming month.

With wheat trading in such a narrow range, only short small swing trades are advised. You can follow them on our Chaos Trader's Email Hotline.

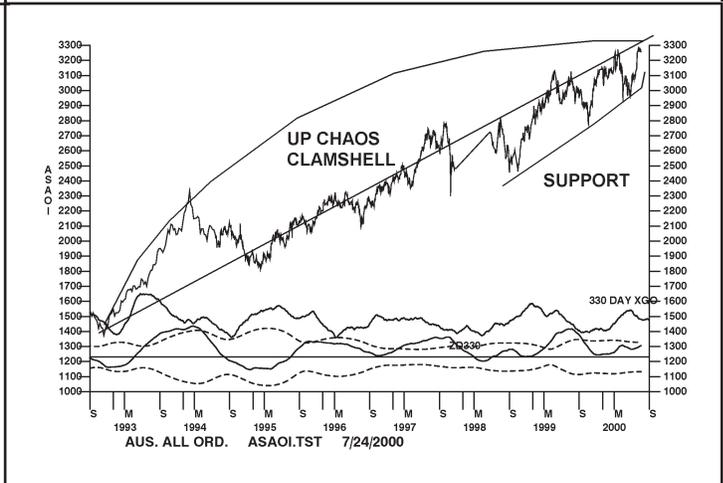
George Bayer wrote about trading wheat using Mercury, Saturn and Jupiter. You can learn to find astrocycles with the aid of the **Trader's Ephemeris** and the **Finding Astrocycles** video-**JUST \$99.**



The Japanese market has again turned down in its down CC. We expect this market to be down for several months.

The British market continues a sluggish rally like its American cousin. This rally looks like it will accelerate to retest the highs and complete the up Chaos Clamshell shown.

The Australian market has rallied off of its support line to continue extending its up Chaos Clamshell. This market is making marginal new highs at a point which could indicate the end of the Chaos Clamshell.



CHAOS CLASSROOM

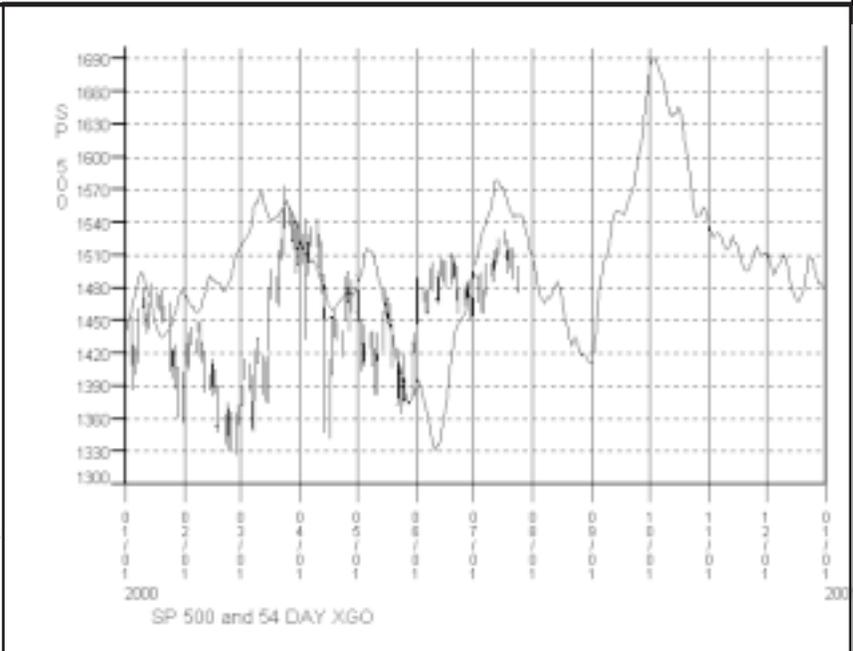
It's time to check the annual forecast.

The chart at the right is the market forecast I made for this year. That forecast was made last November. It was made by taking the SP3.XGO energy function, and filtering it to extract the 54 day energy cycle. This is a cycle that is very strong in both the S&P and the Dow.

The XGO energy function computes the energy received from the universe by any person, stock, or commodity. The only input to this function is the date of birth or first trade.

This function is then filtered using a Zero Delay filter (see June, 2000 newsletter). This operation creates a smooth curve, which serves as a longer range forecast.

You can see from the chart that this forecast has worked fairly well. If it continues to work as well over the next two months, we should see a sluggish to down August, with a sharp rally into October 2nd. Keep in mind that these cycles can invert. Such an inversion would be indicated by the market making a high near the end of August rather than a low. If that happens, we would be looking for a sharp decline in September rather than a rally. Either way, the summer doldrums should be over by early September.

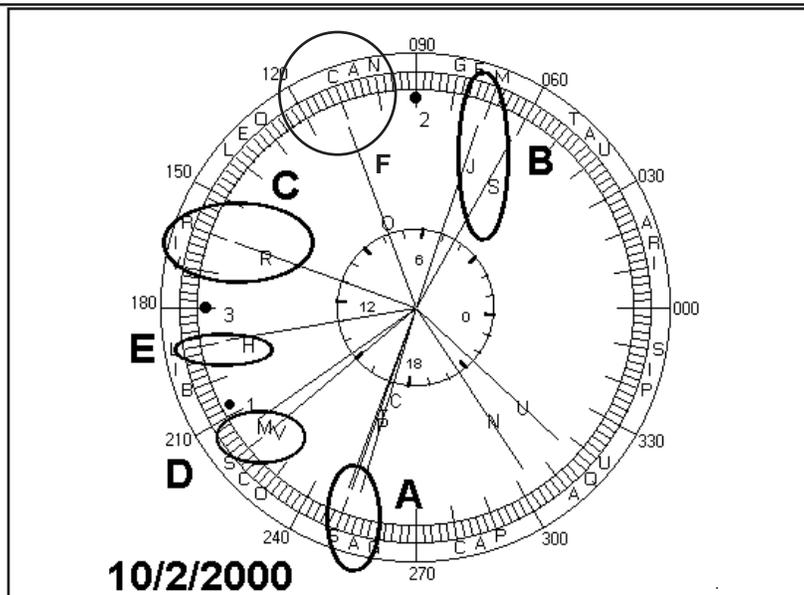


ASTROPHYSICS AND CHAOS THEORY

The annual forecast shows a major turning point for the year occurring on the 2nd of October. What physical causes lie behind that date? To answer this, one only has to look at a graphical ephemeris, as drawn by my WinGephi program.

The wheel at the right shows the geocentric positions of the planets on October 2nd.

At A, the Moon, Pluto, and Chiron oppose Jupiter (B), which is separating from its conjunction with Saturn. These bodies are being squared by Mars, shown at C. Mars is a major contributor to two year cycles, and the two year Chaos Clamshell shown on page 1. This T-Square pattern sets up the 4th harmonic.



For a major energy peak, this harmonic must be supported by related harmonics. The 30 degree spacing between Mercury conjoining Venus at D, and the alignment at A, sets up the 12th harmonic, three times the 4th harmonic. The 60 degree spacing between the alignment at A and the Sun, at E, sets up the 6th harmonic, one-half the 12th harmonic. The eighth harmonic is set by the Node at F, bisecting the square. These related harmonics will add together to make this a high energy date.

Watch for this pattern to show up in many markets, particularly those that have natal planets at positions at A, B, C, D, E, or F.

ENERGY

In the book, *The Celestine Prophecy*, author James Redfield describes the high energy fields found in old growth forests and mountains. These areas are extremely high in positive, natural energy. My theory is that as electrical currents flow from the ground to the ionosphere, that they naturally concentrate as they flow up mountains and trees.

I am very fortunate to live very near such a high energy place. My wife, Nancy, and I, along with our dogs, Ace and Mimi, enjoy several weekends each summer camping at Brainard Lake, west of Boulder, Colorado. This gorgeous lake sits at the foot of a ring of mountains, called the Indian Peaks. We enjoy hiking, feeding the birds, and lots of doing nothing. It is a great way to recharge one's energies.



So if you haven't found such a power place to recharge your batteries, stop trading today and find one. Time spent there will improve both your trading and your quality of life.

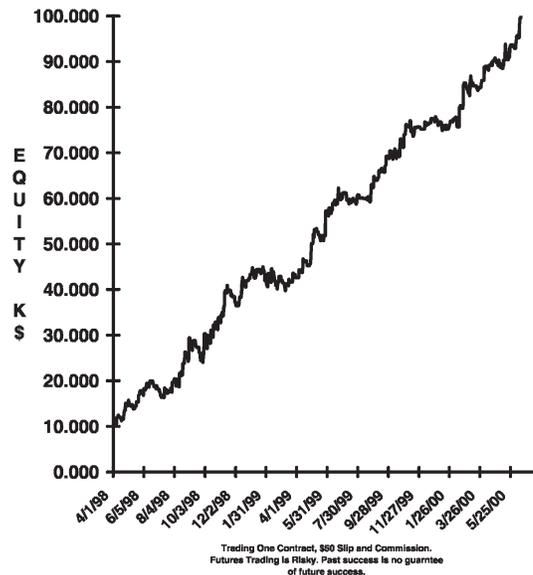
QUALITY IMPROVEMENT

Most of our quality improvement this month was behind the scenes. We solved a disk space problem on our customer service computer. This was a case of a machine which should have had plenty of disk space running out of space at the most inopportune moment, like when we were publishing this newsletter. It turned out to be subtle change in how backup jobs were scheduled and where the backup files were actually recorded.

We, also, upgraded various pieces of software on our web server and acquired a new digital certificate for our secure web pages. We have finished prototyping our online credit card clearing, and hope to be bringing that up on our server soon.

In our trading activity, the best thing we have done is to recognize the choppy nature of this summers market. We have been taking smaller trades with smaller profit targets. So far that has been working well.

MOONTIDE ONE-A-DAY EQUITY



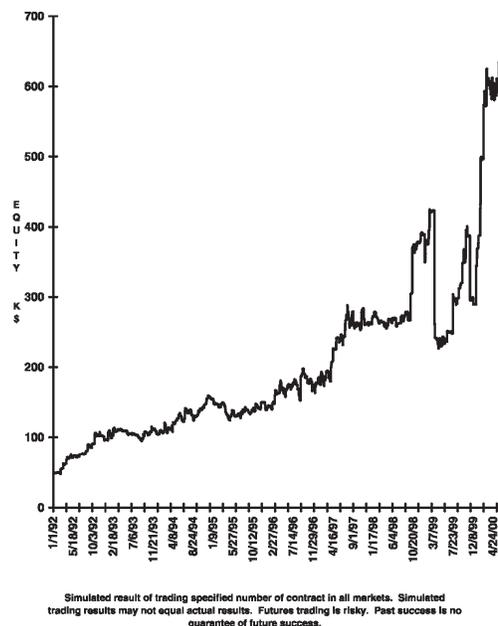
PEOPLE AND HAPPENINGS

After last month, this month has been quieter at Chaos Manor. That does not mean that we have not been busy, it just means that we have had more time to focus on office activities such as trading, analysis, programming, and keeping up with our email. We have had a number of email exchanges about our theories and various products. I sincerely appreciate your interest in my work.

A pleasant surprise this month was a review of our website by Stocks and Commodities magazine. I appreciate the help several of you gave the reviewer, DP. I was impressed at DP's quick grasp of the uniqueness of our website. A big thanks to John Sweeney, Stocks and Commodities editor. Many years ago John had the courage to print my first market related article, In Search Of The Cause Of Cycles. Look for the review to appear in a few months.

All for now. Enjoy some time off and see you next month.

HOTLINE POSITION TRADING TRACK RECORD



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.

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JULY						
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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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