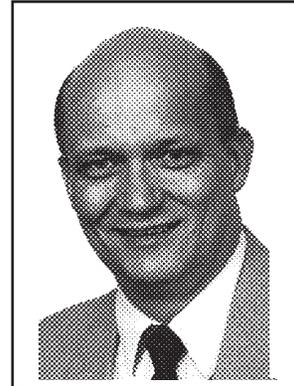
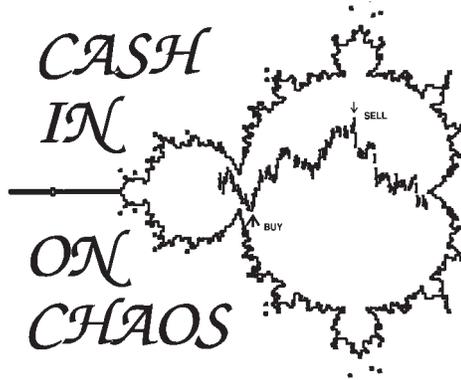


Yes,
you
can



<http://moneytide.com>
<http://daytradingforecasts.com>

CASH IN ON CHAOS NEWSLETTER - July 31, 2002-7
Dr. Al Larson, voice 303-452-5566, fax 303-457-9871, email allarson@moneytide.com

Stocks dropped sharply last month, amid lies, scandles, and fraud. And it is not over. Tbonsds rally getting tired. IBM is a sick puppy. Economic numbers adjusted downward. Swiss Franc rally peaks. Gold finds its top. Wheat flies. Japanese market gets sicker. Aussie market breaks Death Line. A simple stock system keeps you safe. Seasons, solar flares, and more.

STOCKS

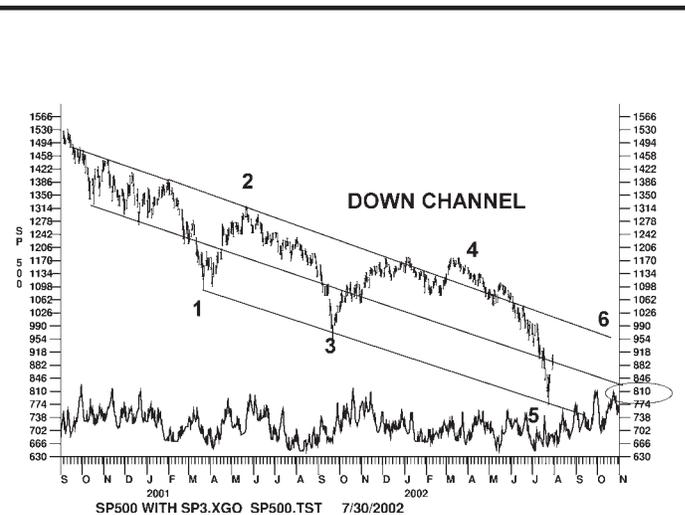
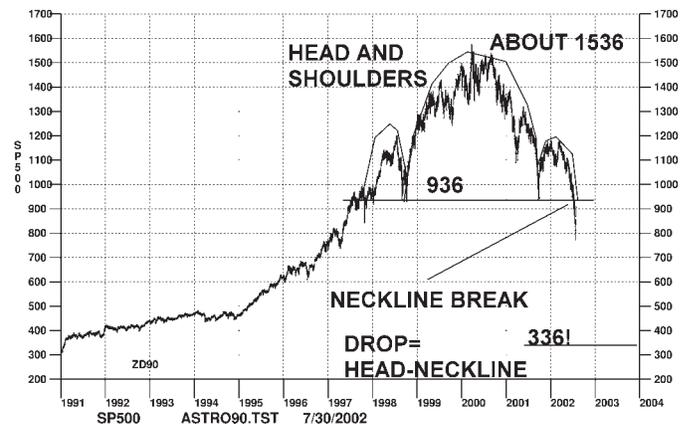
Stocks declined dramatically in July. They broke from 990 down to 778 in the S&P 500 futures.

The long term chart shows the massive head and shoulders pattern. I have adjusted the neckline to the September 2000 lows at 936. A normal projection of a move following the break of a head and shoulders neckline is that the move travels as far below the neckline as prices went above the neckline. The standard charting technique suggests that the S&P 500 could drop to 336! While that price may seem incredible right now, keep in mind that the target price of 810 that I published on my website months ago also seemed incredible.

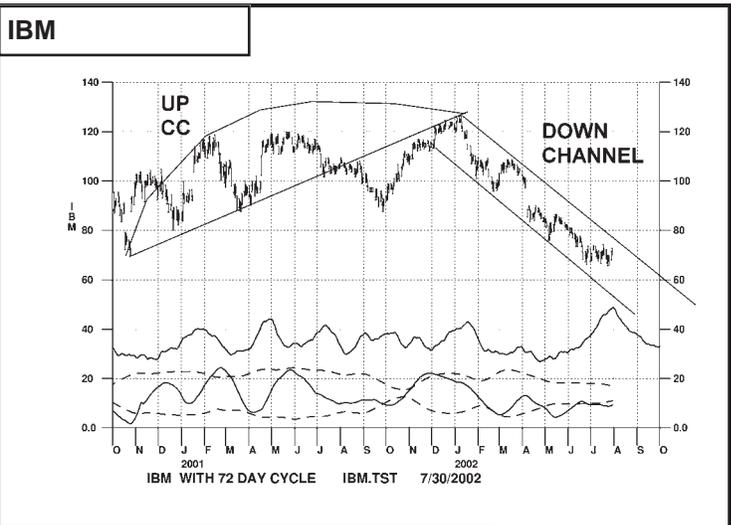
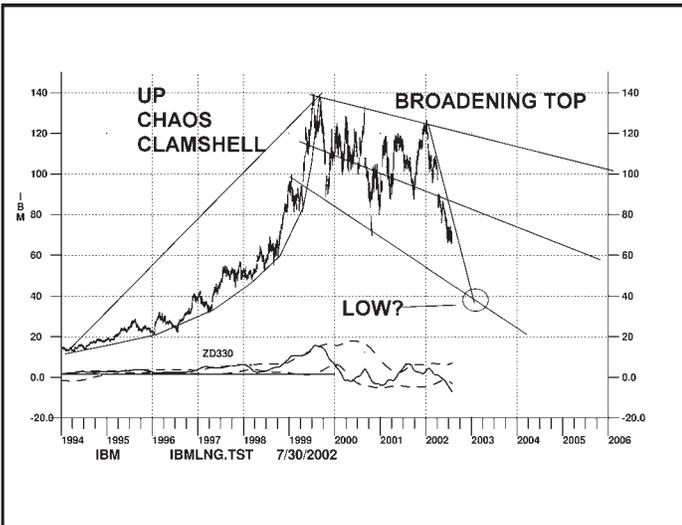
The near term chart shows stocks in a clear down channel. As the channel has progressed it has doubled its width. Moves within channels tend to form 7 move Chaos Clamshells. I have labeled this channel with the moves as I currently see them.

Following this weeks bounce, we can expect several weeks of choppy, sideways markets. I expect that to be followed before year end with another move down.

Investors should remain 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 is sick and getting sicker. The long term chart shows the broadening top formation that followed the Mania Market up Chaos Clamshell. The current move is probing for the bottom of this broadening top pattern. It may find it near 40.

The near term chart shows prices in their current down channel. Even though the energy curve rose last month, prices did not. The energy curve now turns down.

IBM has long been considered a "widows and orphans" stock. It does not look like one now and should not be in anyone's portfolio.

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**.

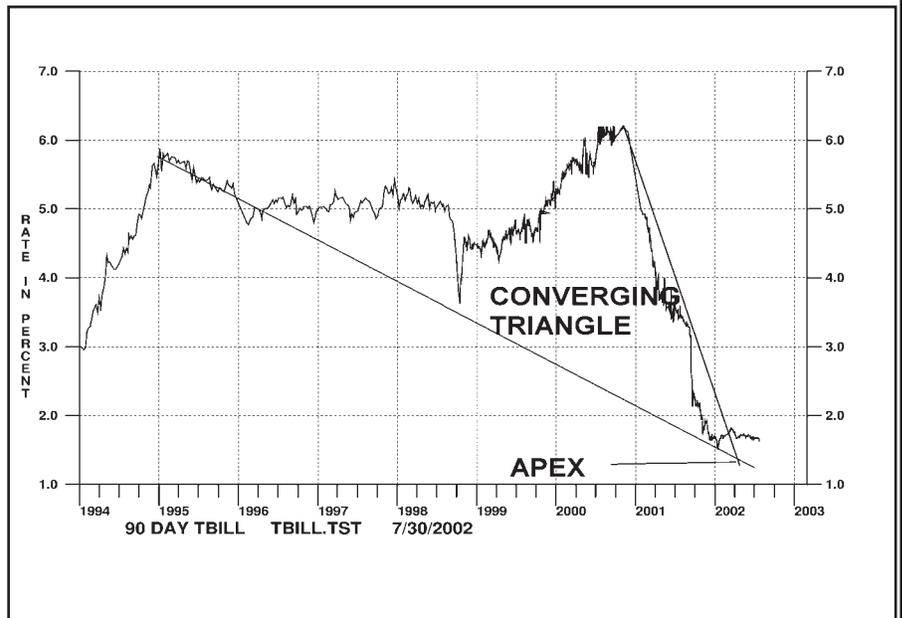
ECONOMY/RATES

The economy is turning out to be weaker than expected. Several months ago I warned that economic reports might suffer downward revisions. This morning the Federal Government revised last year's data to admit that economic growth was negative for three quarters. Earlier they had claimed that we had simply had a brief two quarter recession.

Further, as recently as last week, the Fed was saying they did not see a double dip recession. This morning they reported that growth in the 2nd quarter of this year has slowed significantly. While this does not yet admit to a double dip recession, I personally believe it will be hard not to have one.

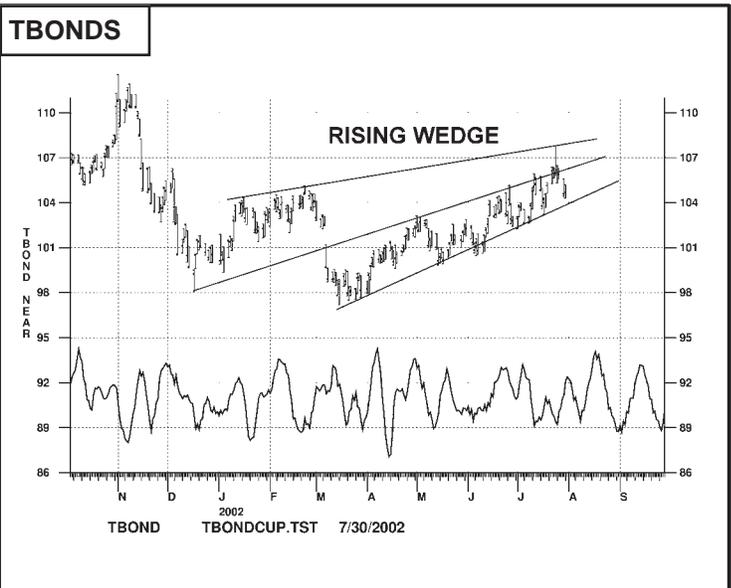
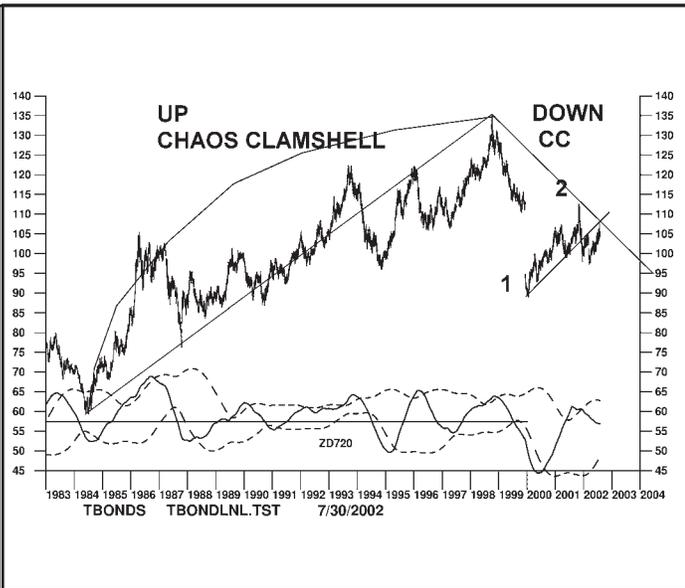
This has been a month of continued reports of corporate insiders getting rich while their companies fell apart and the stocks crashed. Like a farmer closing the chicken coop after the fox has killed all the chickens, the politicians have quickly passed legislation to punish the most flagrant crooks. Yes, they are crooks, dressed in CEO clothing.

Most of this wailing and moaning comes now as millions find that their retirement funds have evaporated. Fortunately, readers of our newsletter and our website were told to get out of all stocks October 6, 2000. For more information, see the article <http://www.moneytide.com/hans/death2000.asp>.



I do the very best I know how - the very best I can; and I mean to keep on doing so until the end.

Abraham Lincoln

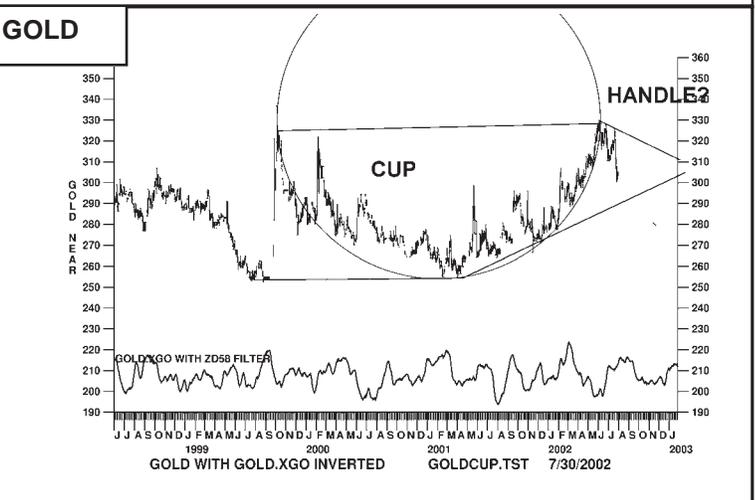
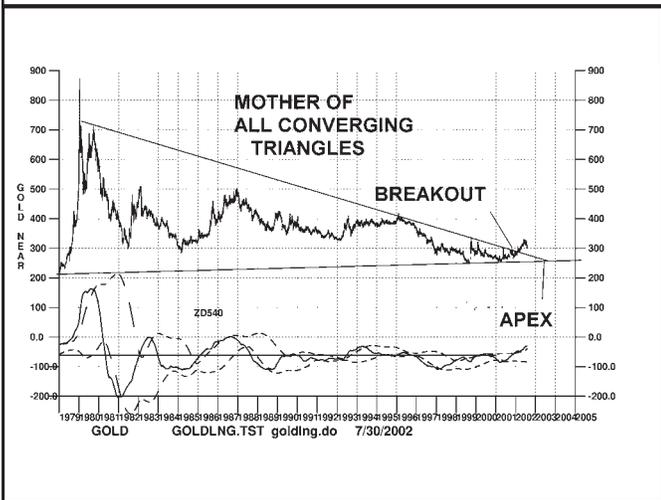


Tbonds continue to rally, but weakly. The long term chart shows that T-bonds are somewhere in a down Chaos Clamshell.

The near term chart shows that T-bonds are forming a rising wedge pattern. Breaks from rising wedges are often sharp and wide ranging. So as sad as it seems, investors who have fled stocks will find bonds to be less than the safe haven they hoped for.

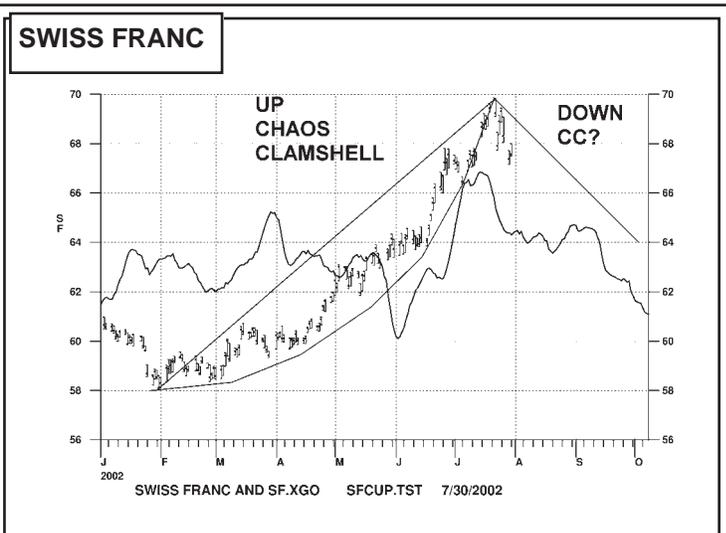
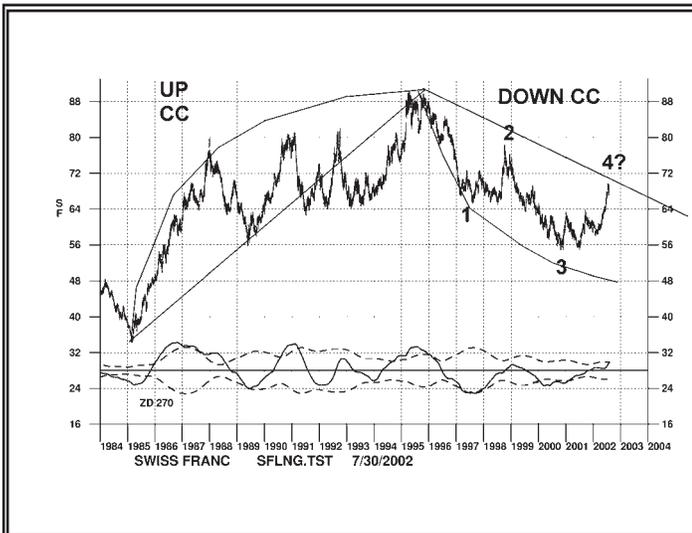
To be what we are, and to become what we are capable of becoming, is the only end of life.

Robert Louis Stevenson



Gold found its top and has dropped sharply. The long term chart shows that this breakout from the Mother Of All Converging Triangles has probably ended. Gold may now pull back and congest sideways near current prices. It could even drop to the apex of the Mother Of All Converging Triangles.

The near term chart shows that gold prices followed the bottom half of an ellipse over the last two years. This could be the cup part of a Cup and Handle pattern. Traders should be alert for a rally above the lip of the cup.

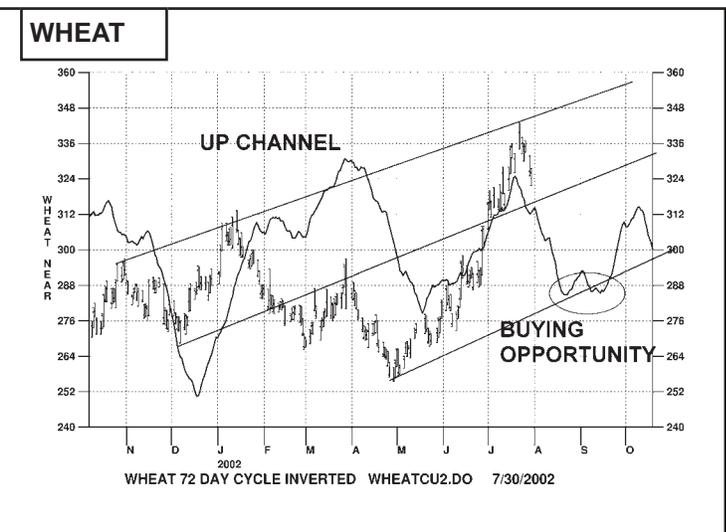
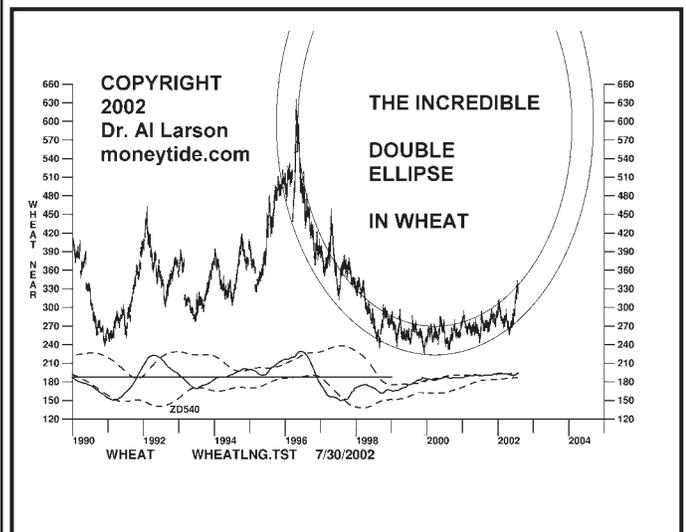


The Swiss Franc has peaked in its fast rally. On the long term chart I have shown a revised version of the down Chaos Clamshell. That revision shows that the recent rally may be move 4 in a down CC.

The near term chart shows the recent rally as a smaller up Chaos Clamshell. Hotline subscribers were treated to a ride on the rally and an exit and sell near the top as the energy forecast turned down. If prices continue to follow the energy forecast, prices may decline to 62 or lower.

Nothing stops the man who desires to achieve. Every obstacle is simply a course to develop his achievement muscle. It's a strengthening of his powers of accomplishment.

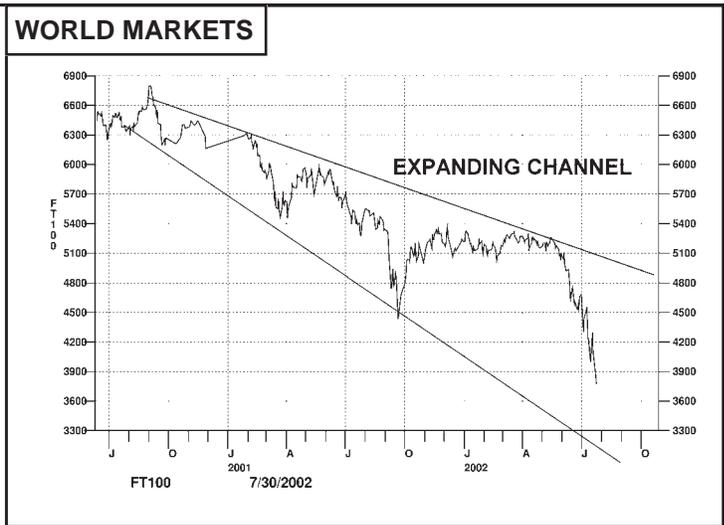
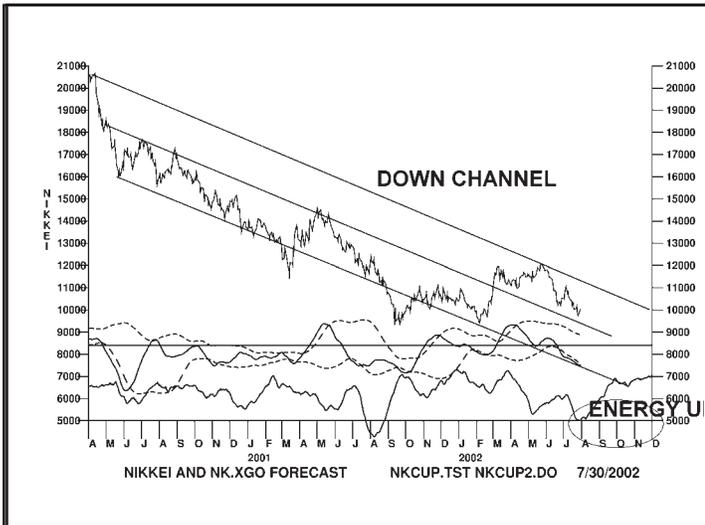
Eric Butterworth



Wheat did rally sharply as forecast. Significantly, it continues to follow The Incredible Double Ellipse shown on the long term chart.

The short term chart shows that wheat has peaked for now and is pulling back. Hotline traders were long going up and are short coming down. The energy forecast shows a buying opportunity setting up in about a month.

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.**

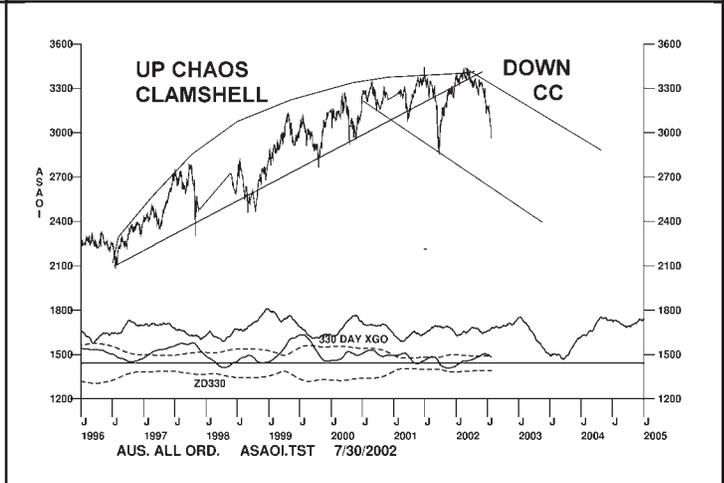


The Japanese market continues in its down channel. Next month the energy curve does turn up, so traders should watch carefully for a rally.

The British market broke down sharply and continues lower. As it has declined its channel is expanding, making each decline more volatile.

The Australian market has turned sharply lower, confirming a new down Chaos Clamshell.

With world markets all headed lower, I doubt that the US economy is yet ready for a major rebound.

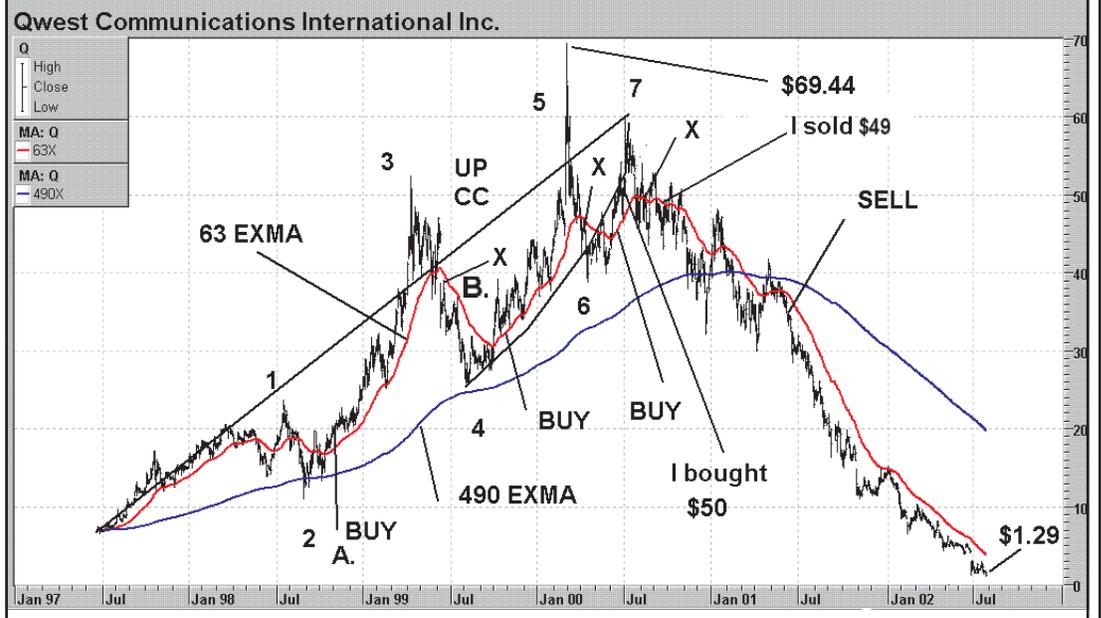


CHAOS CLASSROOM

Many investors have suffered from a lack of knowledge of how to do simple technical analysis. I have developed a simple way of tracking stocks. The chart at the right shows this method in Qwest.

One only needs two exponential moving averages (EXMA) to track stock movement. The long term EXMA is a 490 trading day moving average. It tracks Mars. The short term EXMA is 63 days, tracking Mercury.

The trend is indicated by the long term average. Buys or sells are indicated when the short term average dips to the long one and pulls away. Once in a move, an exit can be made when the short term moving average is penetrated. Several of these are shown on the chart.



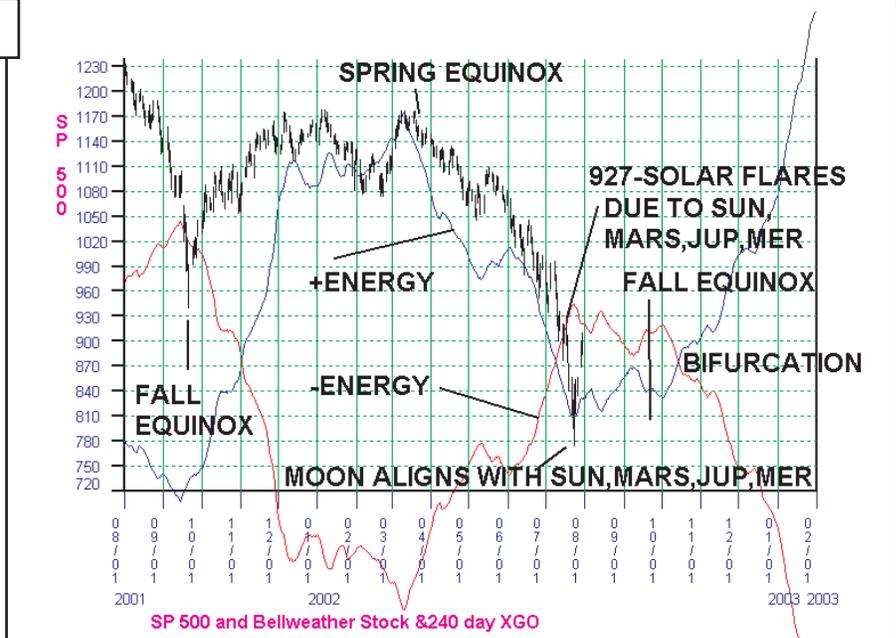
ASTROPHYSICS AND CHAOS THEORY

This chart shows several interesting things. First it shows how the S&P 500 follows the 240 day energy curve of a particular bellwether stock. Right now the market has been following the plus energy curve, but it has entered a region where it may well vibrate between the plus and minus energy curves.

The chart also shows that the market is moving in approximate six month waves making a low on last years fall equinox, a high on this springs equinox, and is down going into this years fall equinox. We will want to watch very carefully how the market comes out of the fall equinox.

The final drop in the recent steep decline was energized by solar flares triggered by the conjunction of Sun, Mars, Jupiter, and Mercury. When the flares hit prices were at 927. The market then dropped 30 points into a low which came as the Moon aligned with the same 4 planets.

All of these are examples of Market Astrophysics at work.



The greatest mistake a man can make is to be afraid of making one.

Elbert Hubbard

ENERGY

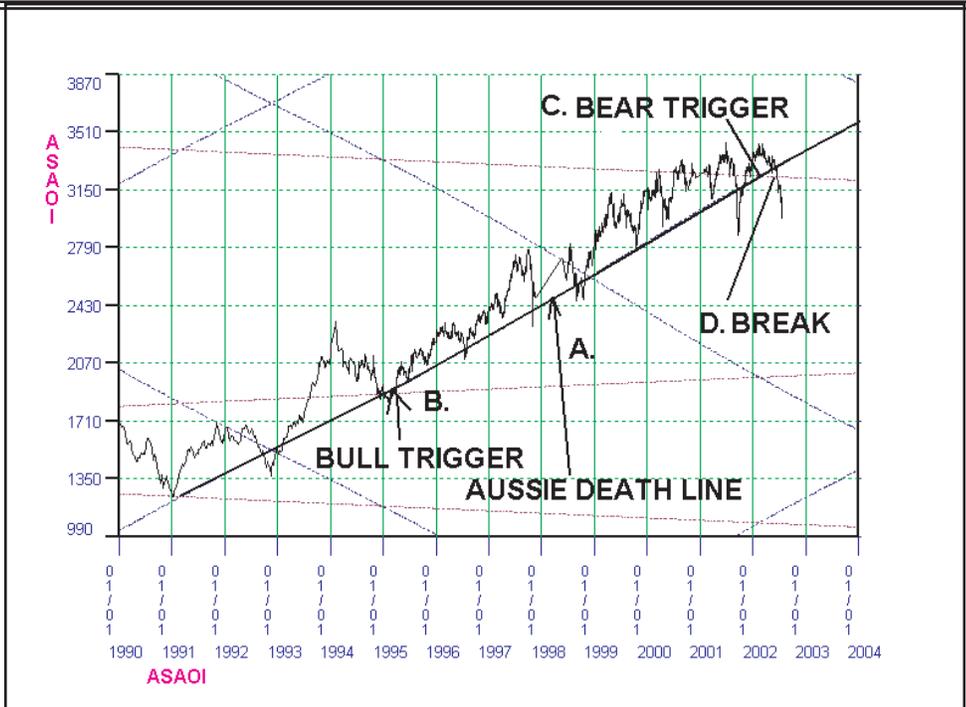
This chart shows the Aussie Death Line in the All Ordinaires Index.

This chart is nearly identical to the Death Line 2000 described in <http://www.moneytide.com/hans/death2000.asp>.

In this case the Death Line, shown at A, is also due to the planet Jupiter. The AOI began its strong bull move at B, when it found support on the rising Saturn electric field flux line.

The bull market began meeting resistance as it encountered the down Saturn flux line, breaking at the point where this flux line crossed the Death Line (C and D).

This chart strongly suggests that the best economy in the world has taken a turn for the worse.



QUALITY IMPROVEMENT

Most of my quality improvement in the past month, actually the past two months, has been outside in my yard. Visitors to Chaos Manor may recall our redwood planters and fence in front.

It was obvious this spring that those items needed repair. Rather than repair them, I decided to replace them. In doing so I decided that I wanted something more lasting than wood. I took my lead from something I say in Dublin. It was a thousand year old Danish watch tower, built with stones and mortar. So the planters got replaced with Pavestones, glued together with liquid nails. The fence got replaced with a modern aluminum version of the stylish wrought iron fence.

Of course, we also made a few improvements on our website and in our offices, but those aren't quite as visible as the front yard.

PEOPLE AND HAPPENINGS

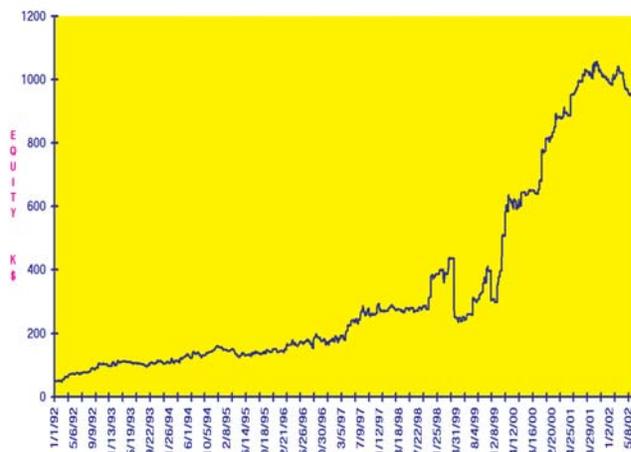
Wow, the summer goes fast! We have already been on two camping trips and a trip to Los Alamos, New Mexico to visit our daughter and son-in-law.

We camp high in the Rockies in a beautiful setting near Brainard Lake. The backdrop is soaring, snow covered peaks of the Indian Peaks Wilderness Area. A carpet of green forest cover the mountains below timberline, sweeping down to the lake. As one hikes through the mountains, there are numerous meadows full of wild flowers. This year the wild flowers are absolutely spectacular. James Redfield in *The Celestine Prophecy*, describes the energy that comes from old growth forests in high mountain areas. One can feel this energy very clearly where we camp.

I sincerely hope you, too, are finding some time to recharge your batteries.

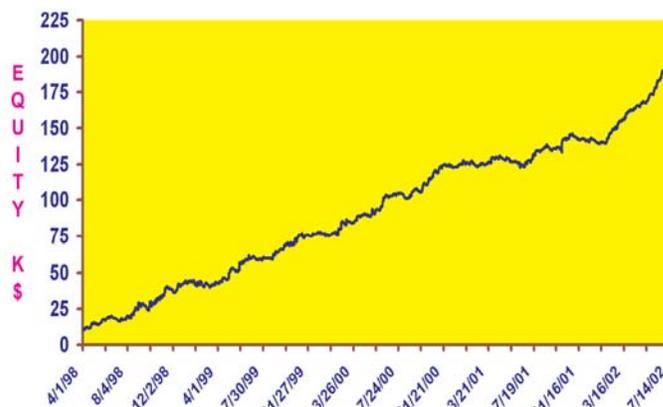
All for now. See you next month.

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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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JULY

S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8 M	9 ² N	10	11	12	13 V
14	15	16 ²	17	18	19	20
21 ³	22	23	24 ^F	25	26 ²	27
28 V	29	30	31			

AUGUST

S	M	T	W	Th	F	Sa
				1	2	3
4 ²	5	6	7	8 ^N	9	10 M
11 V	12 ²	13	14	15	16	17
18	19 ²	20	21	22 ^F	23	24
25	26 ² V	27	28	29	30	31

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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