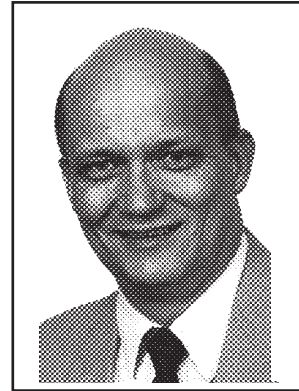
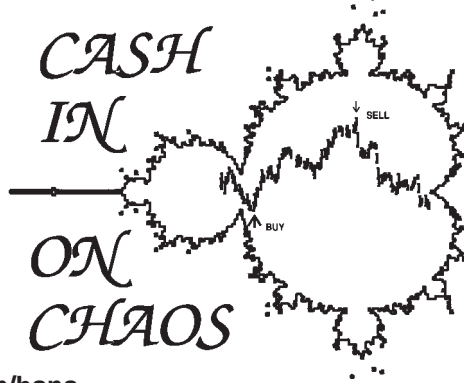


Yes,  
you  
can ....



<http://www.cashinonchaos.com/hans>  
<http://moneytide.com>

CASH IN ON CHAOS NEWSLETTER - August 30, 2001-8

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

**Stocks have broken key support, and are likely to drop sharply. Tbonds are making a top . IBM top in place . Interest rates still probing for low. Swiss Franc rally nearing top. Gold rallies. Wheat makes higher low. World markets nervous. Tracking inversions. The Moon's chaotic nature. Tbond energy explained.**

### STOCKS

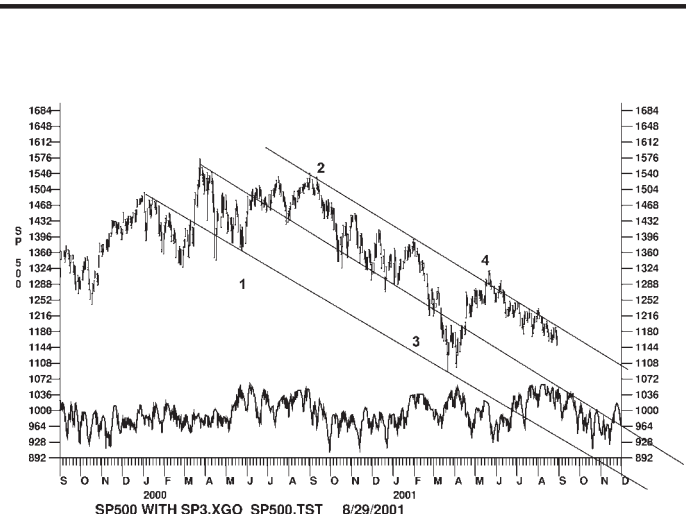
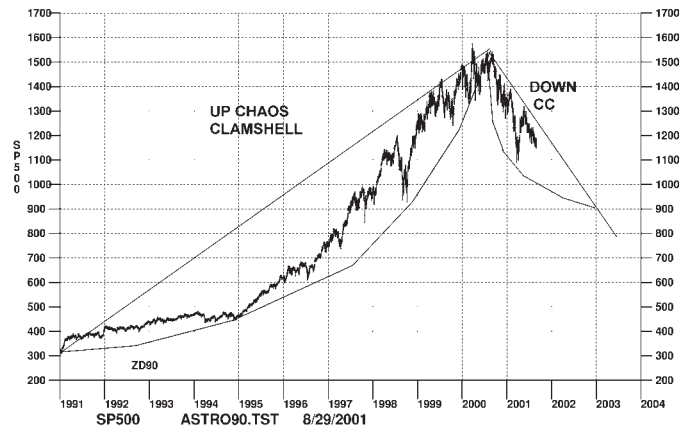
**Stocks have broken the key 1170 S&P price level.** They are now vulnerable to a downside acceleration.

The long term chart shows the down Chaos Clamshell. This chart shows the millennium mania bull market. The move down from the euphoric high will most likely look like a mirror image of the bull market.

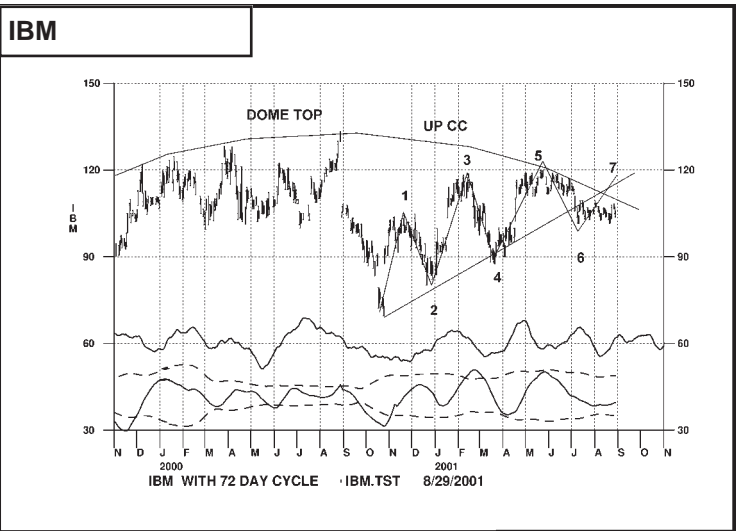
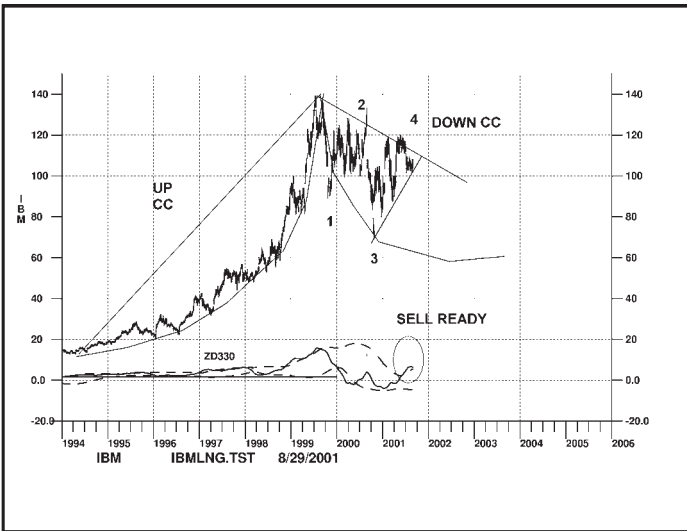
The near term chart shows the current downtrend in the S&P. The market is in a clear channel. Within that channel it has made four of the normal seven moves in a Chaos Clamshell. For the last month, prices have pressed against the top of the channel. They are now dropping away from it. They should at least reach the mid-channel, and probably reach the bottom of the channel.

In Chaos Clamshells, the 5th move is often large and sharp. That type move is developing now. The XGO energy curve is down until late in the year.

Investors have been out of stocks since early last October. Traders are currently short. For timely updates, you need to subscribe to the Chaos Trader's Email Hotline.



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 set for a serious decline.** The long term chart shows the up Chaos Clamshell, followed by a large distribution top. That top formation is now in its final stages. The next move will most likely be a severe decline.

The near term chart shows a dome top. Declines from dome tops generally take the form of an accelerating decline. The top shows that seven moves of the up Chaos Clamshell are nearly complete. The seventh move has been squashed by the dome top. This is a further sign of weakness ahead. Traders might look for long term (LEAP) puts on IBM.

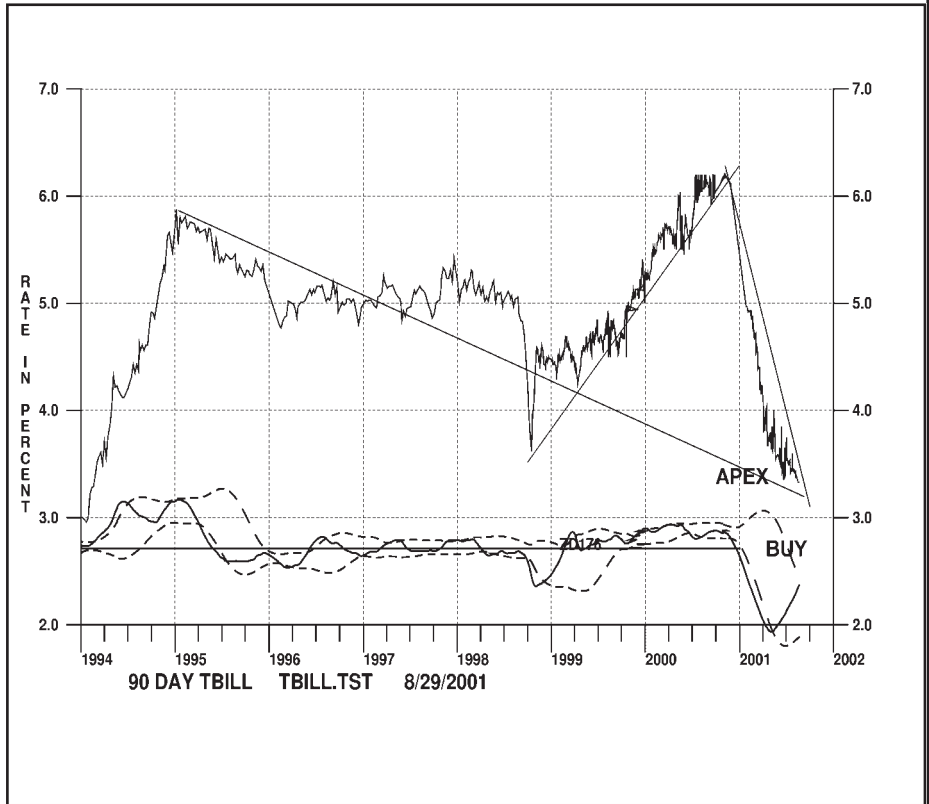
For stocks or commodities not covered in this newsletter or on the hotline, you can track the cycles and trade the Chaos Clamshells using the **Trading System Toolkit**.

**ECONOMY/RATES**

**Recent economic news has not been good.** The Federal Government surplus has all but disappeared. Colorado State Tax Revenues are down 7 percent and likely to drop further. While economists are clinging to the fact that the GDP is still positive (.2), businesses continue to cut jobs, downsize, or go out of business. Venture capital has all but disappeared. Bankers, who have been forced to charge less for their loans, are being far more selective in who they approve for loans.

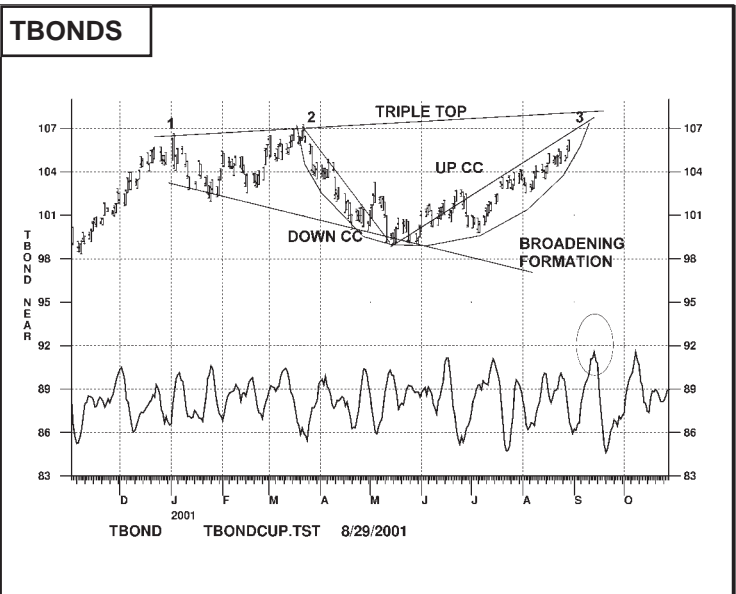
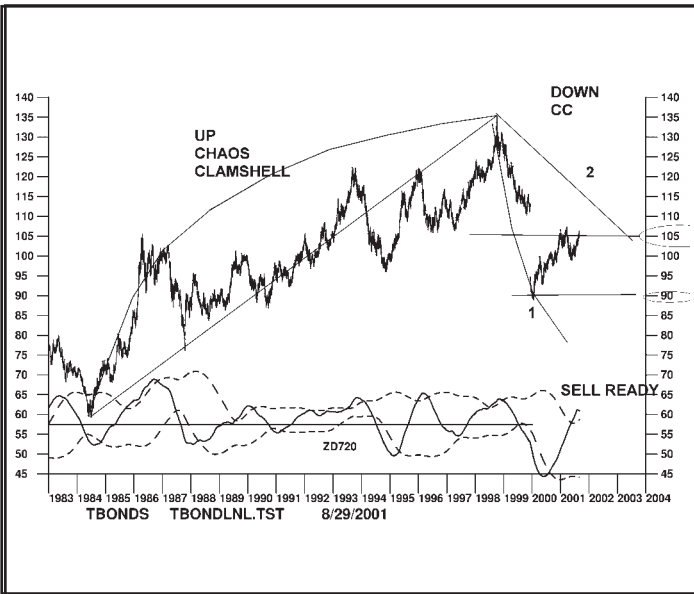
All this adds up to an economy that is still in trouble. The last Fed rate cut was met by an immediate selloff in the markets.

This grand market top was formed by the Jupiter-Saturn cycle. That cycle is twenty years long. Normal swings within a cycle are 1/12th of the cycle length. In this case that means twenty months. So from last year's early September high we have gone only twelve months. The odds are very high that this decline will run at least another eight months.



**Problems are only opportunities in work clothes.**

Henry J. Kaiser



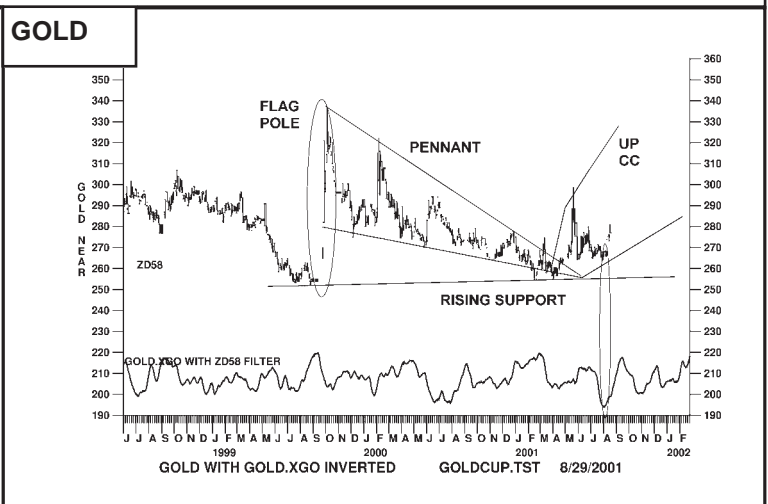
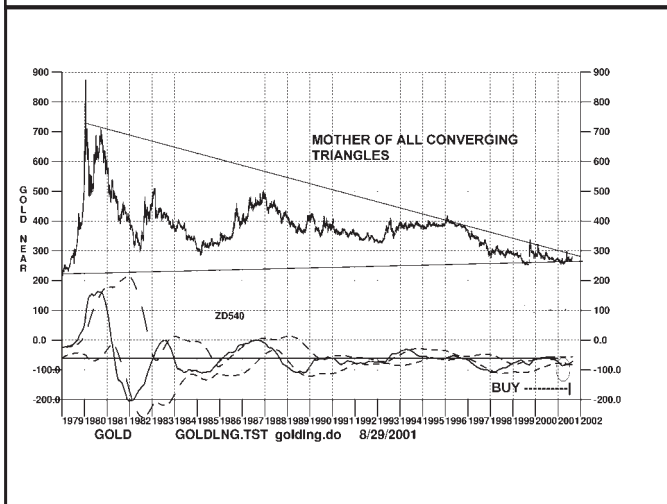
**Tbonds are nearing a major top.** The long term chart shows that bonds have spent this year in a rally. This is move two in a down Chaos Clamshell. The ZD720 cycle is very close to a sell signal.

The short term chart shows that the current rally in T bonds is an up Chaos Clamshell. It is nearly complete. The larger pattern shows a broadening top formation. Declines from broadening tops are very sharp. The energy curve shows a peak in early September.

The energy section contains an additional discussion about T bonds.

**In the middle of difficulty lies opportunity.**

Albert Einstein

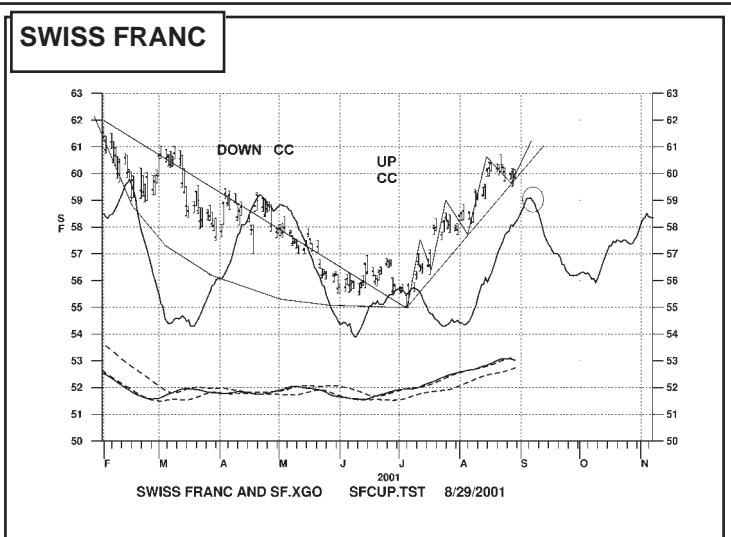
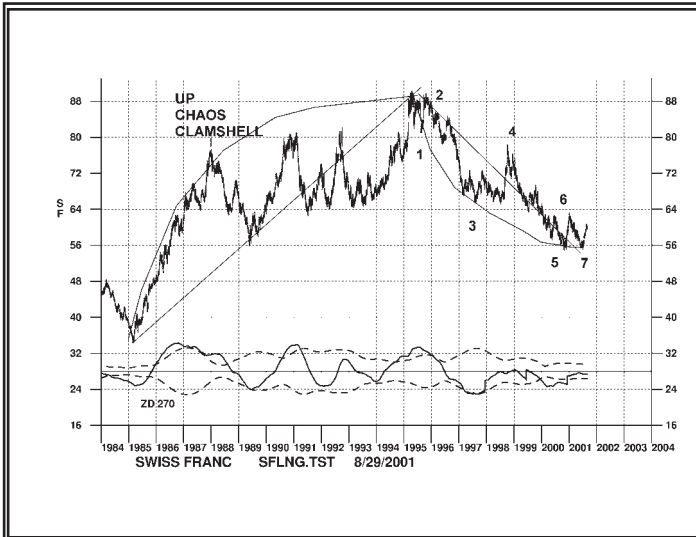


**Gold looks like it is about to break out of the Mother of All Converging Triangles.**

This long term converging triangle is shown on the left chart. Classic charting theory says that the move from such a long term base will be quite extensive.

The near term chart shows a flag pole and pennant pattern, and the following breakout. That breakout has now had a rally and a pullback. The pullback ended at the low in the energy curve. This means gold has made a higher low in the move following the flag pole and pennant. That is bullish for gold. The chart also shows that the support line under the lows is rising.

This is probably a good time to shop for some gold stocks.

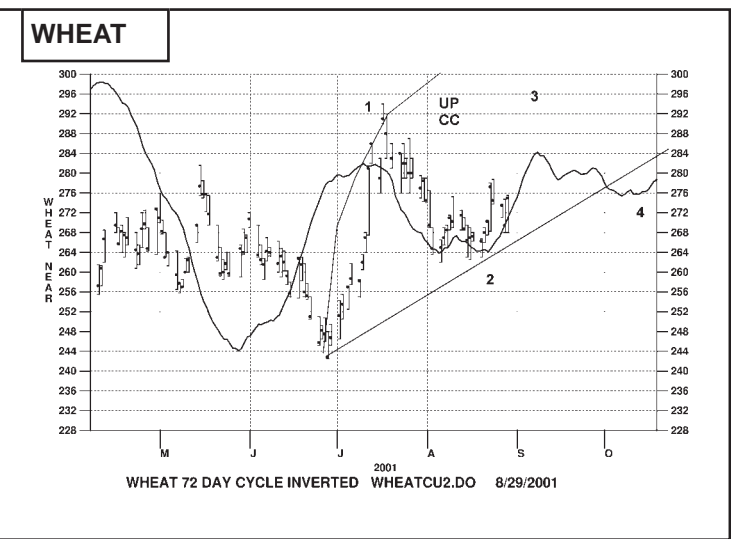
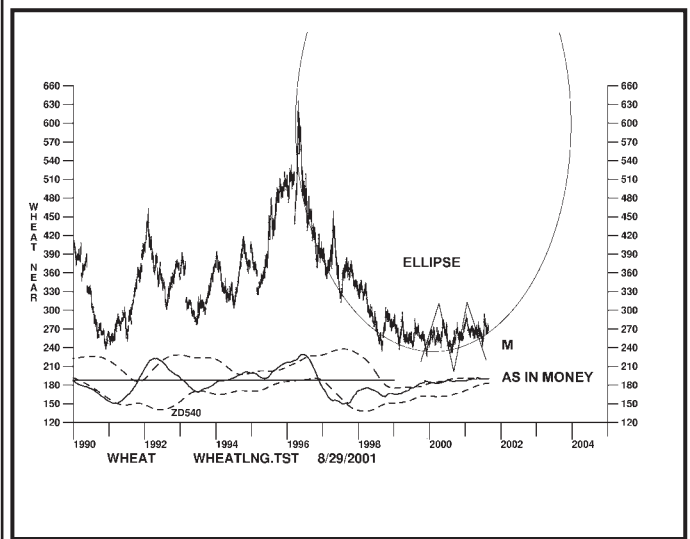


**The Swiss Franc is in the early stages of a new up Chaos Clamshell.** The long term chart shows the seven moves in the recent down CC.

The near term chart shows that the Swiss Franc is currently in a rally. The 55 day XGO energy cycle is topping. This suggests that the Swiss Franc will pull back for about a month. Traders can trade the pullback. Investors should be looking for a buying opportunity near the end of September.

**Opportunity. . . often it comes in the form of misfortune, or temporary defeat.**

Napoleon Hill



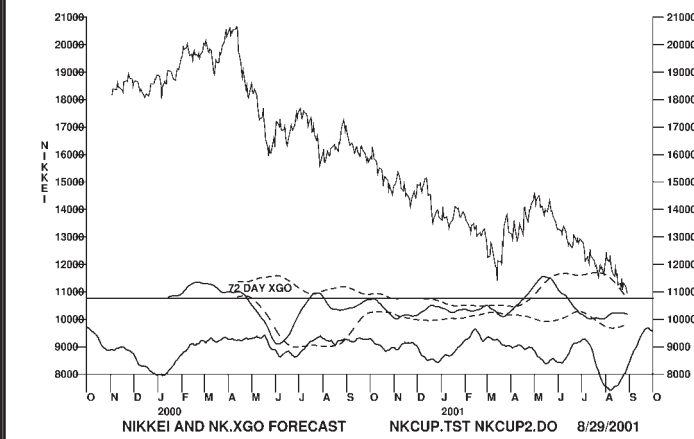
**Wheat has made a higher low.** The long term chart shows that wheat is still following a huge ellipse pattern. That pattern is now turning up, and starting to accelerate.

The long term chart shows a low, high, low, high, low pattern that forms the letter M. This is a buying pattern. The M stands for money.

The near term chart shows that the recent low in wheat was also a higher low. The energy curve continues to rise. So both the long term and short term patterns in wheat are bullish. This looks like a good time to trade wheat calls.

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.**

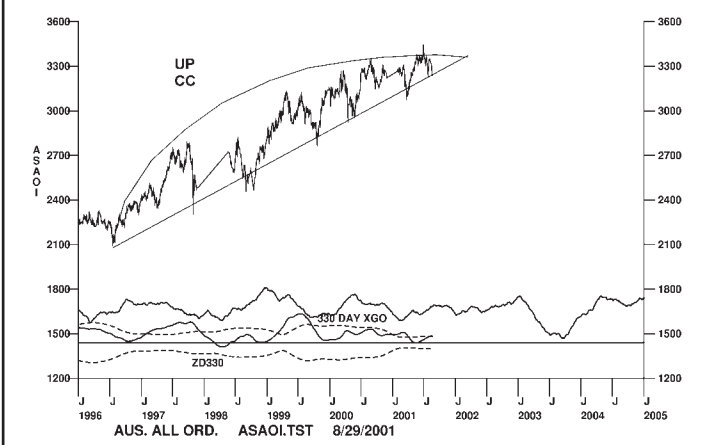
**WORLD MARKETS**



**The Japanese market has broken its support and continues to decline.** It did not turn up with low in the energy curve, suggesting the curve may have inverted. So this market remains in a bear market.

**The British market, also, remains in a bear market.** The most optimistic down CC is shown.

**The Australian market continues in a bull market.** However, it may be nearing the end of a Chaos Clamshell. If it breaks the support line in that CC, it will be a selling opportunity.



**CHAOS CLASSROOM**

**A common question I get is**

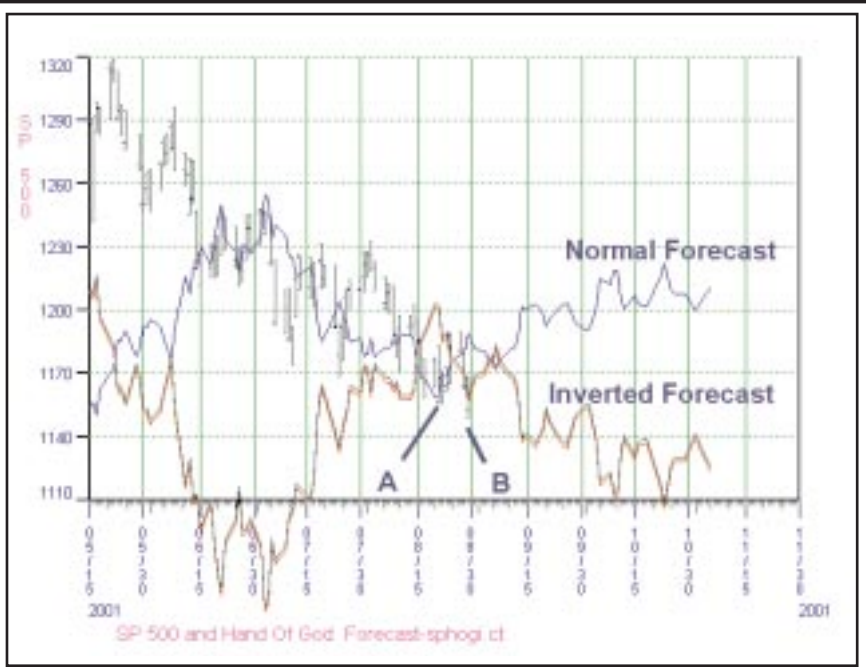
**how to tell if a forecast has inverted.** Many users find this the main problem in using XGO forecasts.

This chart shows a normal and an inverted forecast for the S&P. This happens to be a Hand Of God forecast, but it has the same properties as an XGO forecast. It also inverts.

To watch for inversions I note very carefully which forecast each high and low was on. For example, the market made a low at A, on the normal forecast. However, the following rally turned down early and was making a low at B. This is a timely clue the forecast has inverted.

Chaotic markets always have two solutions. Inversions will always occur. Besides watching the swing highs and lows, one should carefully use stops so that if an inversion does occur, any losses are limited.

I have researched the cause of inversions. While I have not found a perfect answer, I have noticed that most inversions on daily charts occur when the planet Mercury conjoins or opposes another planet. So tracking Mercury can also be a help.





## ASTROPHYSICS AND CHAOS THEORY

**The Moon clearly has a very powerful effect on markets.** This chart shows some of the reasons why.

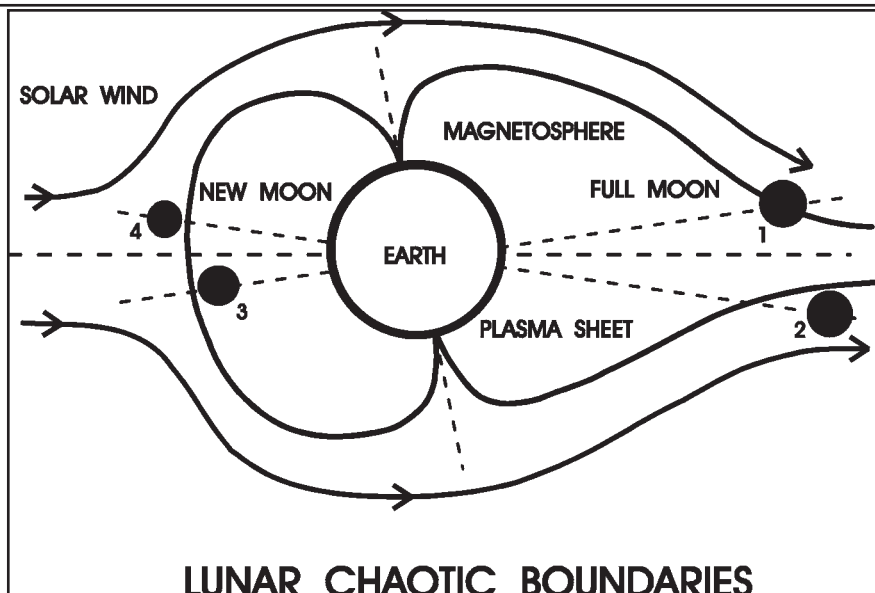
Ionized particles coming off of the Sun are carried to the Earth by the solar wind. As the solar wind passes Earth, it is deflected in a tear drop shape around the Earth by the Earth's electromagnetic field. This magnetosphere is a tear drop with holes punched in at the Earth's north and south pole. Ions spiraling down in these holes cause the Aurora Borealis.

These ionized particles also set up the charge on the Earth's ionosphere that effects the current flowing through traders. Surges in that current are felt as emotional swings by traders. The Moon is a key creator of these surges. Four key positions are shown on the chart.

At position 1, the full Moon is within the tail of the magnetosphere. There it reflects negative ions back to the Earth, making people feel giddy. But not every full Moon does this. Some full Moons occur at position 2, where the Moon is outside the magnetosphere tail. There it does not push ions back to Earth.

The new Moon can also trap ions. The effect is strongest at position 4 when the new Moon is outside the magnetosphere. It is a weaker effect at position 3.

All of these patterns are part of the magnetism that produces lunar chaos in markets.



## LUNAR CHAOTIC BOUNDARIES

**A wise man will make more opportunities than he finds.**

Unknown

## ENERGY

**This chart shows Tbons.** The 52 day XGO energy cycle and its inverted cycle are shown.

Also shown is the Zero Delay filter, set to 33 days. As explained last month, this filter tracks energy. That energy oscillates about a zero energy level. It reaches peaks at a statistically high sell line and valleys at a statistically low buy line. It can also help track inversions in the forecast energy cycle. For example, Tbons switched from the minus 52 day XGO to the plus 52 day XGO in July. This is shown by the low at point 4.

When the energy turned up there it was obvious that the market had switched to following the plus 52 day XGO.

The ZD filter is also useful for counting the seven moves in a Chaos Clamshell. Here the seven moves in the current up CC are clear.

Techniques taught in my Master's Course enable one to track a particular energy cycle back to a planetary cause. This particular move in Tbons is caused by the Venus-Jupiter cycle.



## QUALITY IMPROVEMENT

This month our time was divided between continued work on The Chaos Trader End Of Day program, and fighting continued email problems on the Internet.

The most recent email problem occurred when an inexperienced technician reloaded a domain name server, and screwed it up. That caused translations of our domain name into physical network address to fail part of the time. This effected some of our emails and prevented some people from accessing our website. With a lot of work, I got my ISP to fix the problem.

This is all part of a larger problem caused by the rapid decline in Internet stocks. Many companies have lost the technical expertise that keeps the Internet running.

So, if you are trading over the Internet, be aware that it can and will fail at the least opportune time. So be sure that you have a phone number that you can call to get out of a position.

Progress on the Chaos Trader End Of Day program has been severely hampered by these repeated Internet problems. Hopefully, in the coming month we will be able to refocus on completing that software.



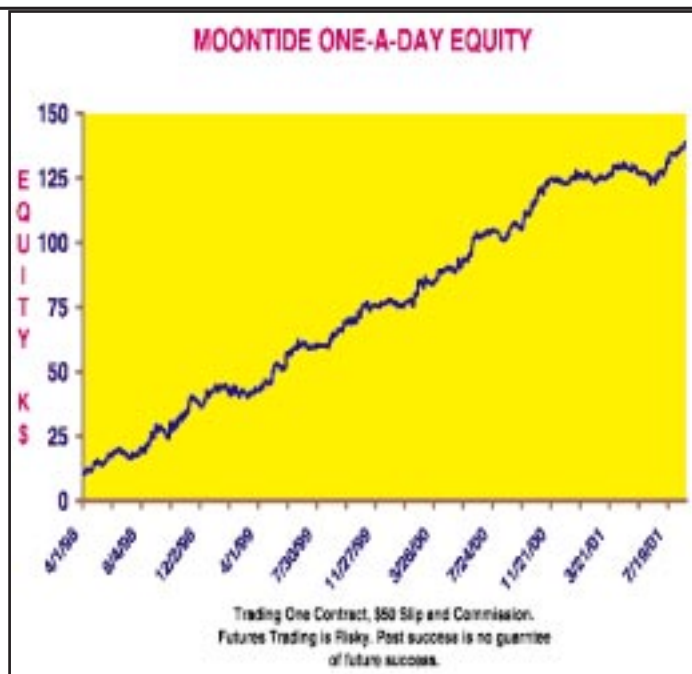
## PEOPLE AND HAPPENINGS

Thanks for the many phone calls and emails. I think I am current on replying to all questions. However, I did lose a few days of email so if you are waiting for a reply to a question, please resend it.

This past month has been a bit hectic with several camping trips and out of town visitors. Somehow summer seems to slip away all too quickly. If you have not taken some time off to recharge your batteries, you really ought to do it soon.

But with summer ending, there is also a new beginning - the beginning of the Bronco football season. This year the Bronco's have a brand new stadium, a new defensive coordinator, many new players, and a great deal of optimism. If they can stay healthy, they should be able to make a decent run to the Super Bowl.

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>

## AUGUST

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

## SEPTEMBER

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

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.

Just \$18 + \$2 shipping and handling  
 US/Canada Call 303 452 5566.  
 Mastercard/Visa accepted.

### 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  
 ENERGY TRAPS FOR SCREENS .....4 FOR \$20  
 TRADER'S ENERGY PACKAGE-CHARGING KIT,HEADBAND, 8 TRAPS - SAVE \$28.....\$120.

### FALL EQUINOX SPECIAL

Part 1. Order three XGO charts, get a fourth one free. Normally \$144, now just \$108.  
 Part 2. The Total Energy Kit, normally \$120, just \$99.  
 Part 3. 15% off all orders over \$360.

Hotlines and packages are not included. Special good until midnight, September 30, 2001.