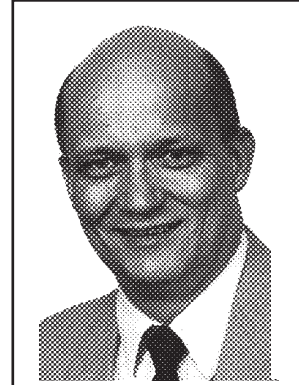
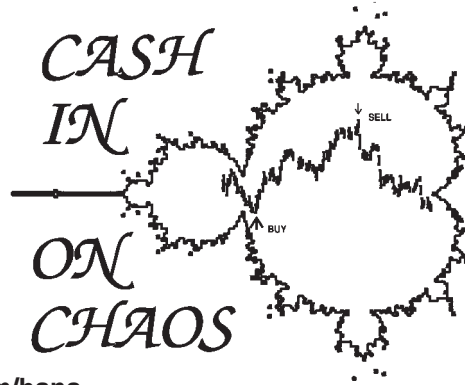


Yes,
you
can



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

CASH IN ON CHAOS NEWSLETTER - September 30, 1999- 99-9

Dr. Hans Hannula, voice 303-452-5566, fax 303-457-9871, email allanson@cashinonchaos.com

Stocks continue in a serious decline. A crash is a high probability. Tbonds holding their bottom but vulnerable. Swiss Franc mixed. Gold explodes. Wheat continues bottom formation. World markets have topped. 1987 comparison updated. High energy points explained. SA/SR explained.

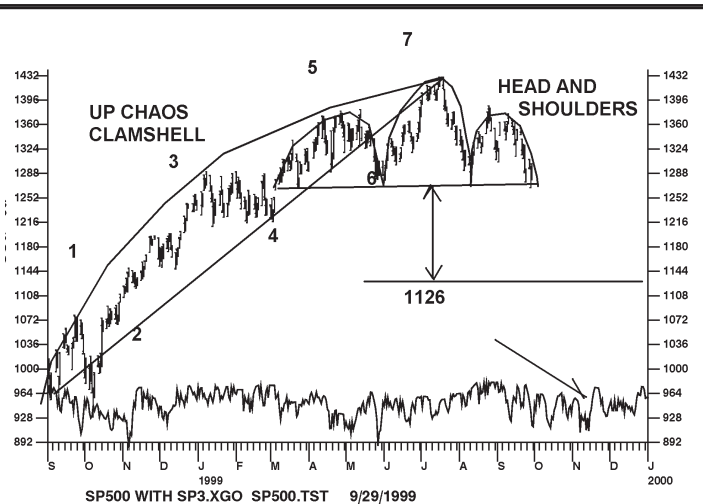
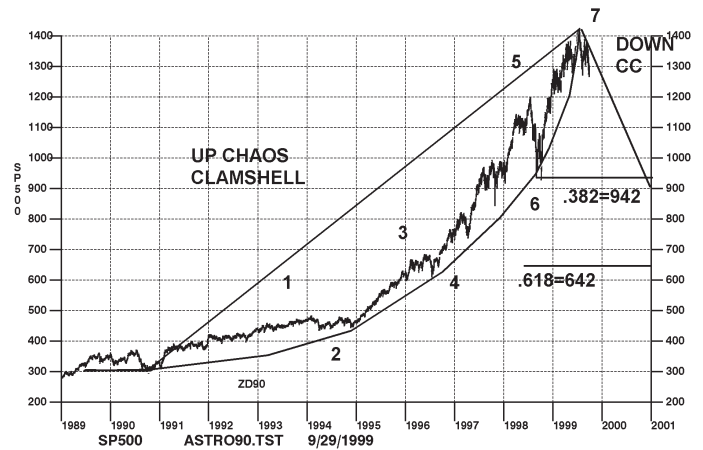
STOCKS

Stocks have continued to decline from the high of the year and are now set up for a drastic decline.

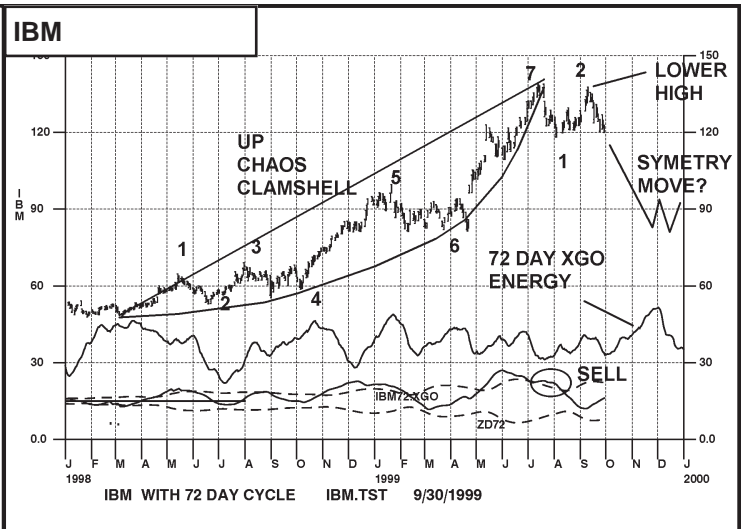
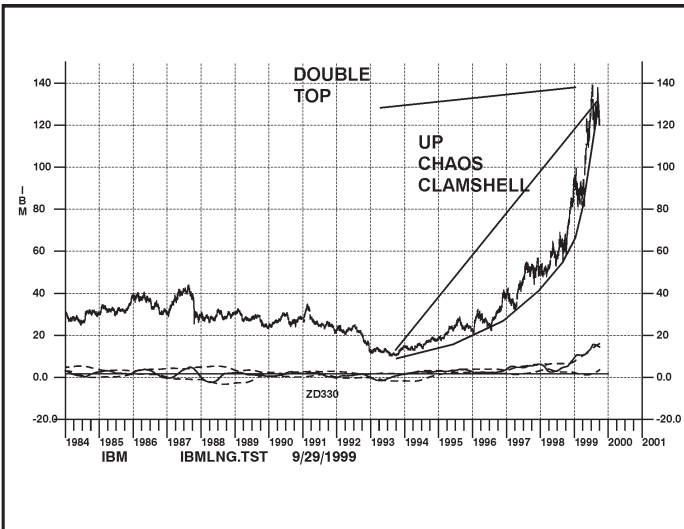
The long term chart shows that stocks have completed the up Chaos Clamshell since 1990. There is also another Chaos Clamshell within this one beginning in 1994. Both of these patterns have completed at the same time. This will make the correction equal to the sum of the corrections of each one. This will probably lead to at least a test of the October 1998 lows. A point .382 retracement gives a target of 942 (Dow 7536). Given the speculative of this bull market, and the extreme overvaluation of stocks, it would not be unthinkable for stocks to retrace .618, which is equal to 642 on the S&P (Dow 5136).

The near term chart shows a completed up Chaos Clamshell since last October. Also shown is a very clear head and shoulders pattern. This topping pattern is one of the most reliable chart patterns. It is giving a minimum target for a decline of 1125 (Dow 9000).

The SP3.XGO energy curve is sharply down into November. Historically the best day of the year to buy stocks is November 5th. So this is a good time to put your IRA's and current accounts into cash. You will be able to replace stocks at much lower prices later in the year or in 2000.



This letter is written by Dr. 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. **Hotline updates to this letter are give at 7 PM Eastern, 1-900-776-7272, \$2 per minute for 2-3 minutes,\$6-8 total.** See page seven for more details.



IBM continues to look bearish. It has now made a double top at the end of its large up Chaos Clamshell shown on the long term chart.

The near term chart shows the completed up Chaos Clamshell from early 1998. The high of that Chaos Clamshell has been tested, and the test resulted in a lower high. This is bearish. The 72 day XGO energy shows a sharp rally during October and November. However, keep in mind that a market may react to either the positive or the negative energy field. Should IBM react to the negative field, it would be set up for a possible symmetry move down to 90.

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**.

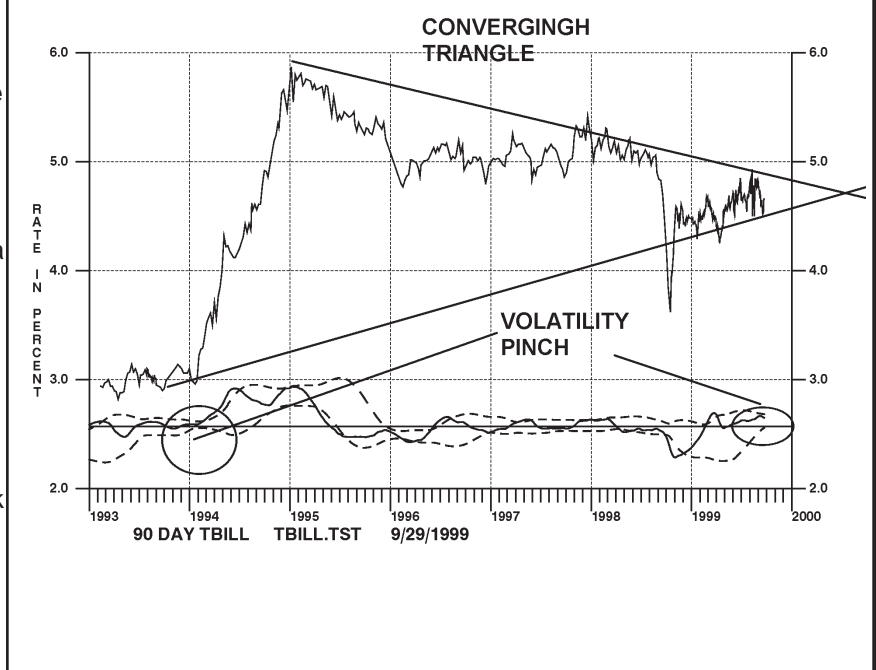
ECONOMY/RATES

The interest rate chart is showing a huge converging triangle. This triangle is resulting in a volatility pinch. A similar volatility pinch occurred in early 1994. Volatility pinches are precursors to large chaotic moves. This pattern is warning that a sharp, large, chaotic move is setting up in interest rates. When this occurs it will be disruptive to stocks, bonds, and the economy.

The US economy continues fairly strong. Asian economies are regaining some health. The Russian economy still exists which for it is saying a lot. So worldwide economies look a bit better. The big question is, "Is this improvement short term or long term?"

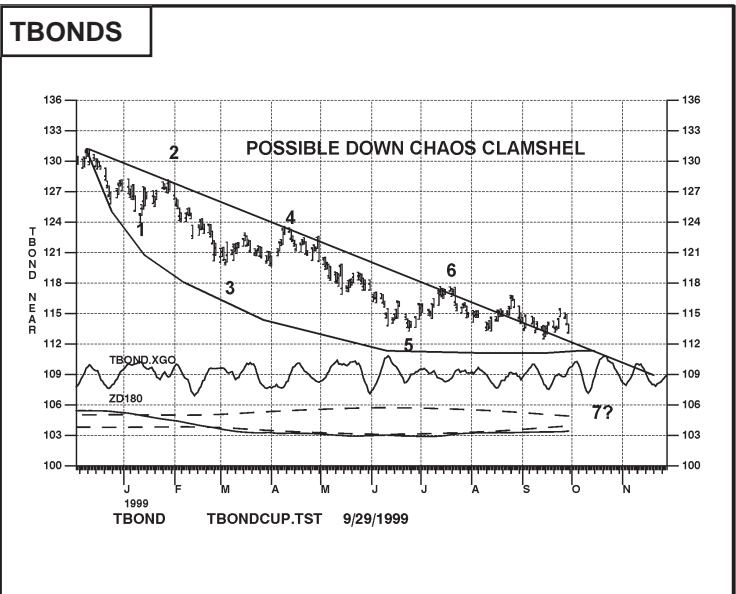
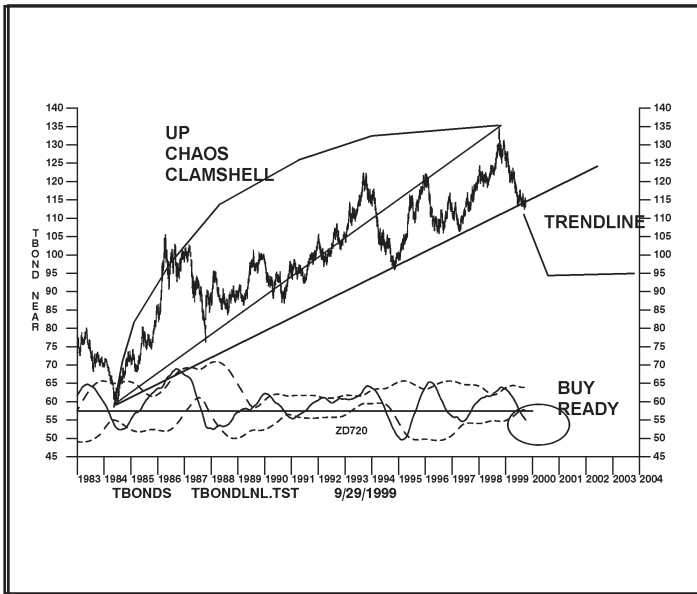
One way to answer that question is to look at world stock markets. As we show in a later section, they have topped.

A recent conversation with a client who came from Poland was most interesting. He observed that wage inflation in his area had made it impossible for him to hire workers. He was also concerned, and rightly so, that most of his new countrymen had overextended themselves on debt. By his "old country" values they were dangerously extended, and were in no condition to weather a downturn. I fully agree with his observations. With so much of the paper wealth of the "new millionaires" in the stock market a sizable correction could have wide spread consequences. This is a time to manage one's affairs prudently. With the Y2K problem about to play out it would be prudent to hold cash until the affair is over. This is independent of whether or not there is a real danger.



The glory that goes with wealth is fleeting and fragile; virtue is a possession glorious and eternal.

Sallust

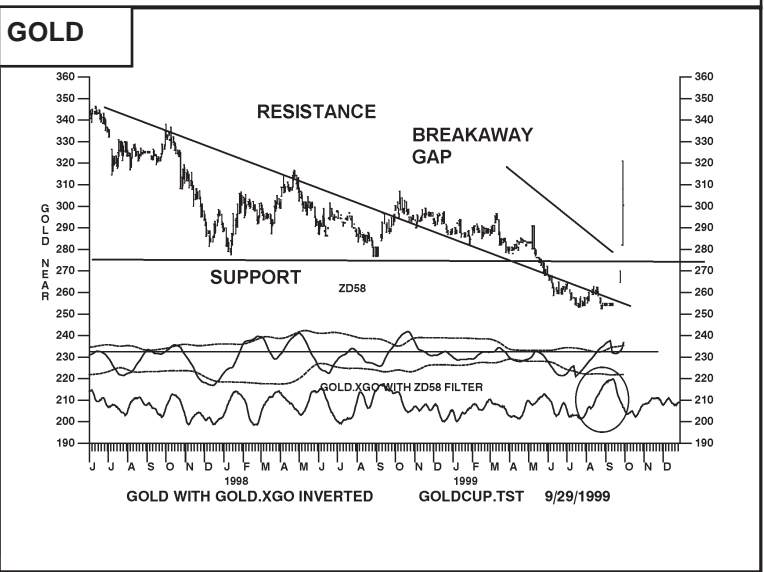
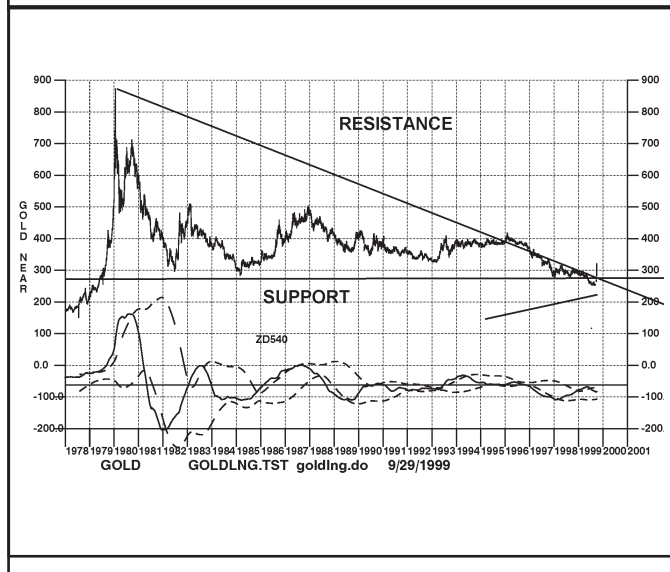


Tbonds are at a precarious point. As shown in the long term chart, they have completed an up Chaos Clamshell and started a down Chaos Clamshell. The ZD720 cycle is at a buy ready point which should indicate that bonds are about to rally. However, they have been reluctant to do so. The chart shows that prices are sitting on a trendline that reaches back to 1984. If that trendline is broken, bonds could drop sharply to 95.

The near term chart shows my best estimate of the current down Chaos Clamshell. As long as prices hold about 112, I would remain bullish on bonds. However, if they break 112, it would be a good short selling opportunity.

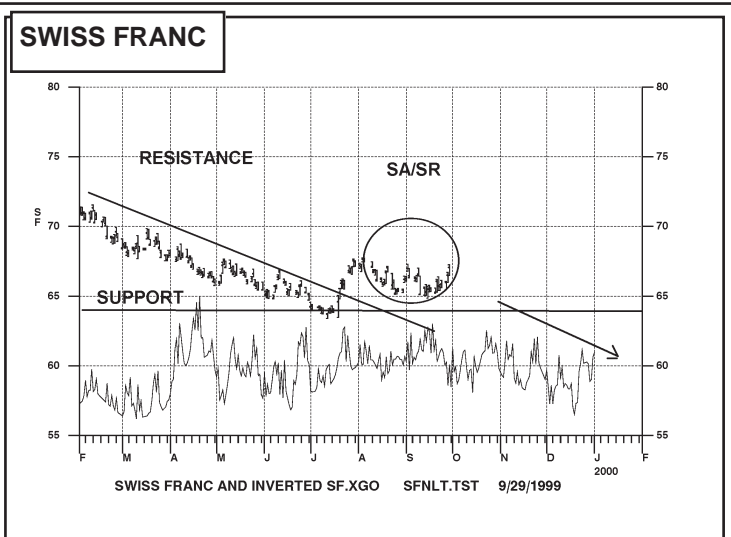
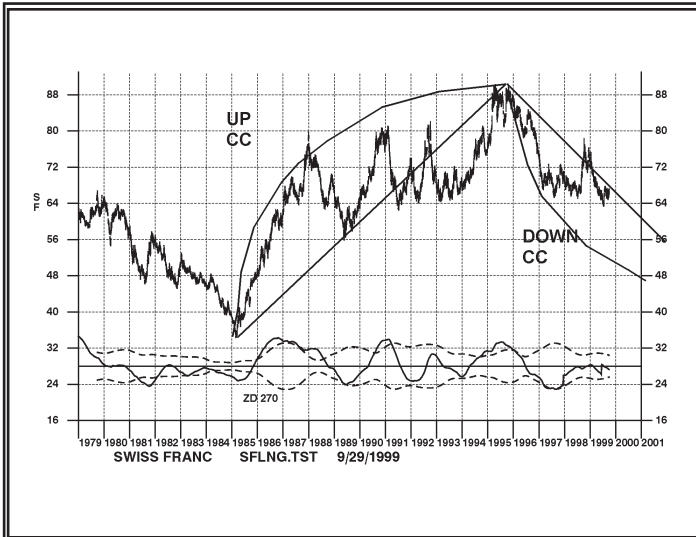
When you cease to dream you cease to live.

Malcolm S Forbes



Gold has exploded. Last month I said that gold was most boring and that was a good reason to keep an eye on it. The last few days of explosive rally in gold are very significant. The long term chart shows a large converging triangle, with a base at 280, and a resistance line from the 1980 highs down to and following the recent trend.

The near term chart shows the price action, which resulted in a breakaway gap. A breakaway gap at the end of such a large converging triangle must be taken as a super bullish signal. The energy for this move came from the energy pulse circled at the bottom of the chart. Rumors are swirling as to why gold has exploded like this. Dozens of culprits have been blamed. Technically it doesn't matter who the players are because all of their decisions are reflected in the price action. Hotline position traders are long gold from 266 and holding. Check the hotline for updates.

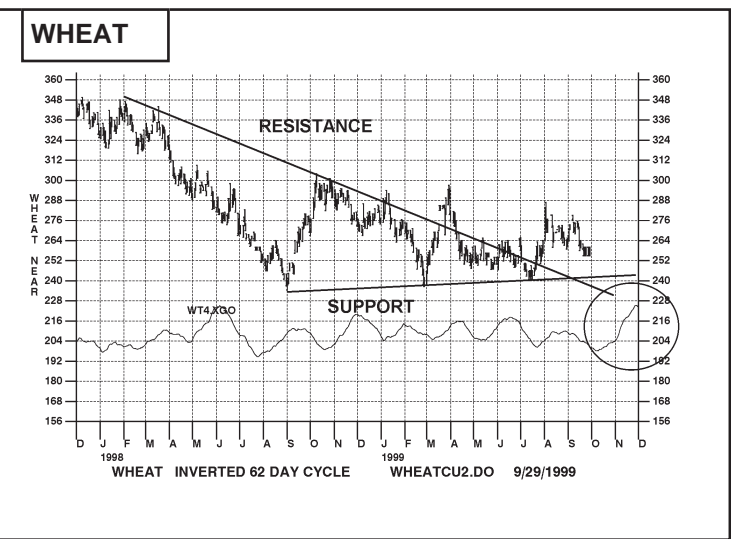
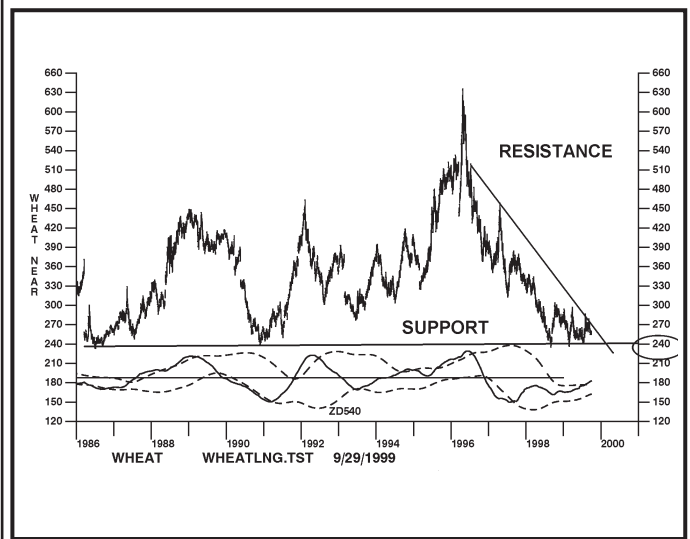


The Swiss Franc continues to be mixed. On the positive side, it has held above the 64 support level. On the negative side, it has barely managed rally above this level. This lack of volatility is a precursor to a later large, fast, chaotic move. The long term chart shows a probably down Chaos Clamshell, which indicates that the decline from these highs is only about half over.

The near term chart shows the recent support and resistance lines, which ended in an apex. This would normally lead to a sharp rally. But in this case it looks like prices have been trapped by the circulating energy fields of a chaotic strange attractor/strange repellor (SA/SR). After that SA/SR is past in time, I expect a further decline in prices.

The only limits are, as always, those of vision.

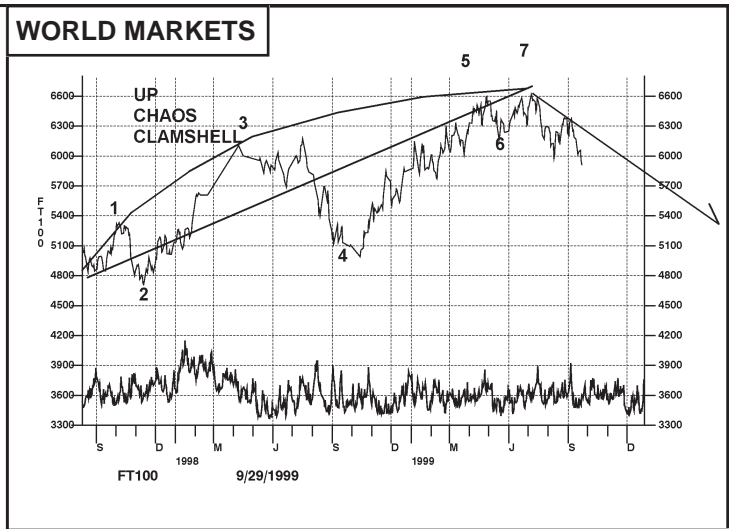
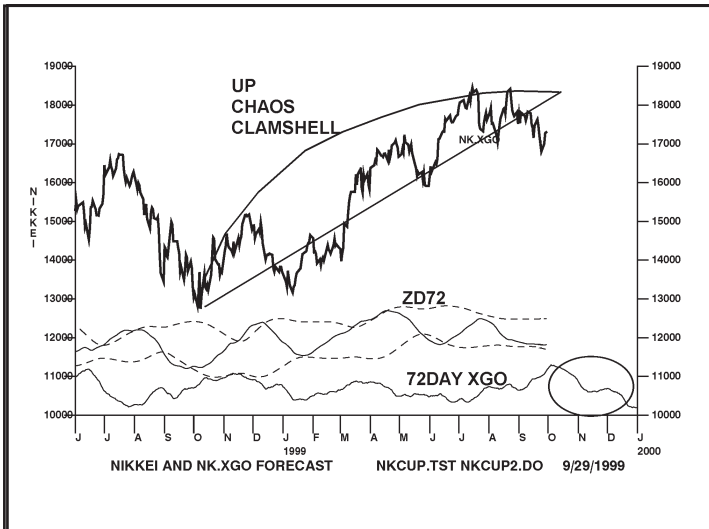
James Broughton



Wheat is still forming a major historic bottom. The rally off of this bottom is eminent. The long term chart shows the convergence of the historic support line at 240 and the resistance line down from the highs of the last several years. A large rally should occur near the point where these two lines cross.

The near term chart shows that wheat has been following its 62 day XGO cycle very nicely. That cycle rises sharply in October and November. This is a good time to buy call options on wheat futures.

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

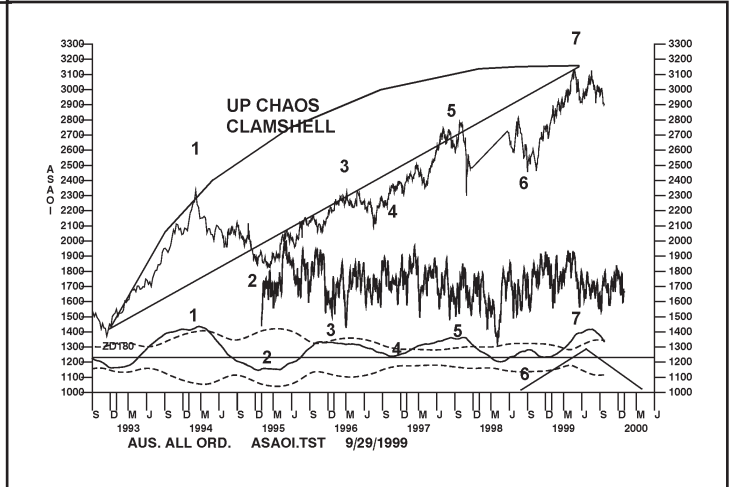


The Japanese market has topped and is set up for a sharp decline. The 72 day XGO cycle is down sharply over the next three months.

The British stock market has also topped and has confirmed a new down CC.

The Australian market has done likewise.

These three markets are telling us that the world economies are not in as good as shape as many believe. Markets tend to anticipate economy activity by three to six months.

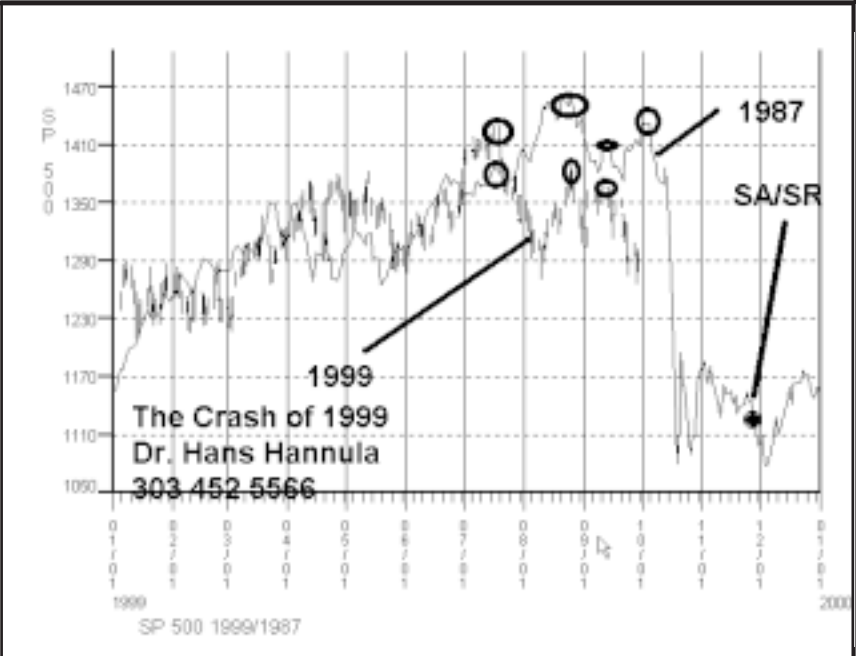


CHAOS CLASSROOM

This chart shows the continued tracking of the 1999 market with the 1987 market.

Comparing the current market with a past market is a common analysis technique. However, there should always be a rationale for selecting the markets to be compared. In this case I am using the Jupiter Earth cycle as a common denominator. The conjunction of these planets occurred in late October in 1987 and will occur this year on October 24th.

I have circled the highs which have correlated since I began this tracking activity. They tell me that the cycles are very similar. However, notice that the current market is weaker than the 1987 market. This suggests that the decline to come may be even larger.



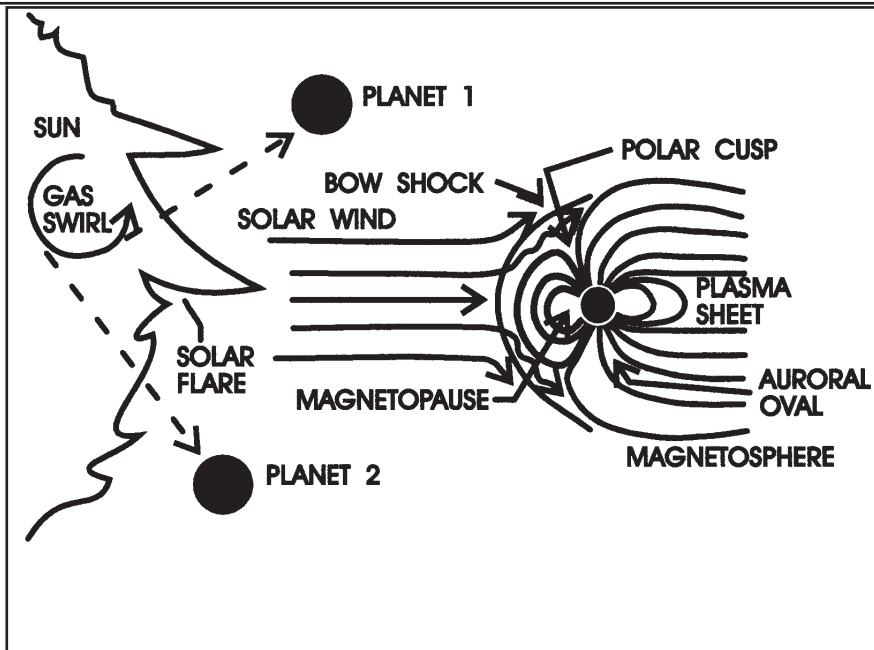
Another tool I use is my Face Of God pattern. It helps me locate future SA/SR's. In this case, there is an SA/SR near 1124 on the 27th of November. This is a high energy point, which I explain further in the energy section.

ASTROPHYSICS AND CHAOS THEORY

It is periodically useful to restate my theory of Market Astrophysics. This is useful for new readers and is a good refresher for old readers. My research has completely validated this theory.

Market Astrophysics explains how markets are affected by planetary motion. The major components of the system are shown in the drawing.

As the planets move around the Sun they create turbulent swirls in the Sun's gases. These swirls produce changing patterns in the Sun's radiation and the Sun's electromagnetic fields. This changes the flow of charged particles from the Sun. These charged particles are carried to Earth on the solar wind. As the particles reach Earth they interact with the Earth's electromagnetic field. This field forms a protective magnetosphere around the earth. This traps charged particles, building up a charged layer called the ionosphere. This layer charges up to an average of 300,000 volts. The Earth we stand on is one end of this high voltage battery. This electric field places a voltage on our heads of about 250 volts. That causes currents to flow through our bodies. These currents are 250,000 times as strong as the biological currents that run our brain and nervous system. We feel those currents as emotional changes. When the solar radiation pulses we feel it. When we feel it, we buy and sell emotionally. About 60% of price action can be based upon fundamental economics. The other 40% is due to the surging electric fields.

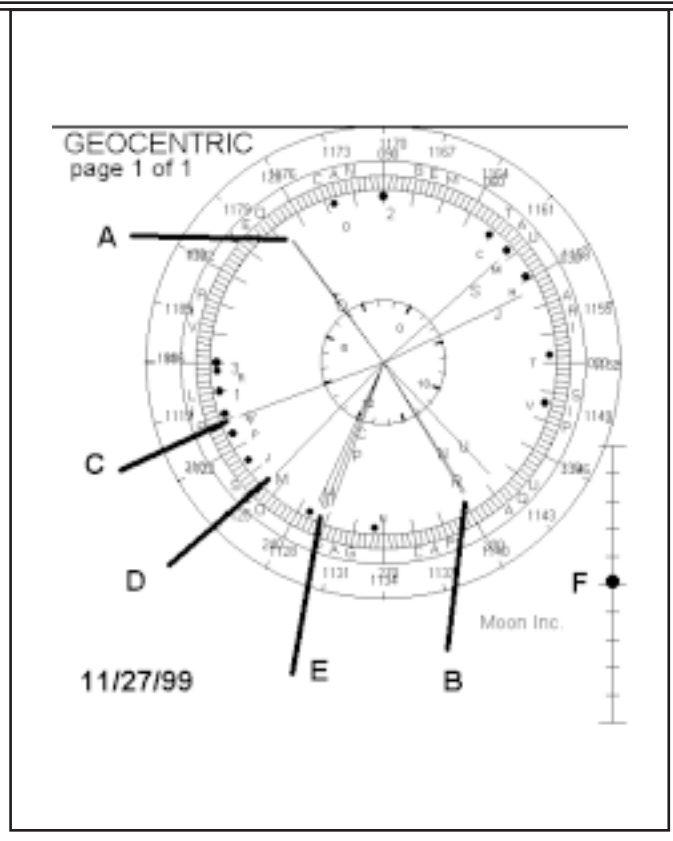


ENERGY

One of the values of using Market Astrophysics is that it enables us to look into the future and locate high energy points. Earlier I talked about a high energy point effecting the stock market near the end of November.

This is the ephemeris wheel for that date from my WinGephi program. Point A is where the Moon lines up with the Node 180 degrees to the point where Mars is opposing Neptune. That places energy at 1140 +/- multiples of 36 points in the S&P. Point C shows Venus opposing Jupiter as it transits the S&P natal Jupiter and Sun. That sets a price of 1121. Point E shows the Sun, Chiron, and Pluto conjunct. That sets a price at 1129. Point F shows that the Moon is at zero degrees inclination, which means that it is in the ecliptic plane. This magnifies the Moon's effect and strengthens the overall pattern.

Watch price action two weeks preceding this pattern for some volatile market action.

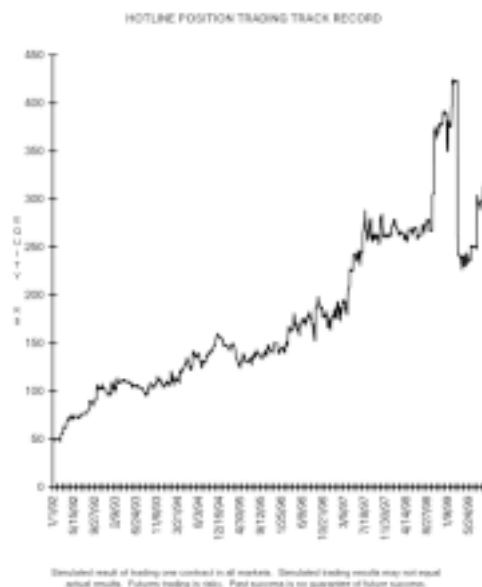


QUALITY IMPROVEMENT

The chart at the right is the equity curve for our Position Trading Hotline. We experienced a sharp loss in equity when I made a trading blunder in March. All of the loss occurred on one trade. On that trade I had built a large position which was slightly profitable. On a key day I did not press this stop to the point where it should have been moved to protect against loss. When the market moved sharply against my position a large loss occurred. I rationalized it for several days and finally covered. That experience reminded me painfully that trading is a matter of following your own rules perfectly. The only thing you control in a trade is the amount you can lose. If you do not control that tightly sooner or later you will experience a painful loss.

When you do experience such a loss you must let it go and return to focus your efforts on perfectly following your rules. That is what we have done. You see the result in the recovery of equity. This chart actually understates that recovery because it does not include a profitable position that we are still holding.

Remember quality improvement is a daily effort. Keep at it and you win over time.

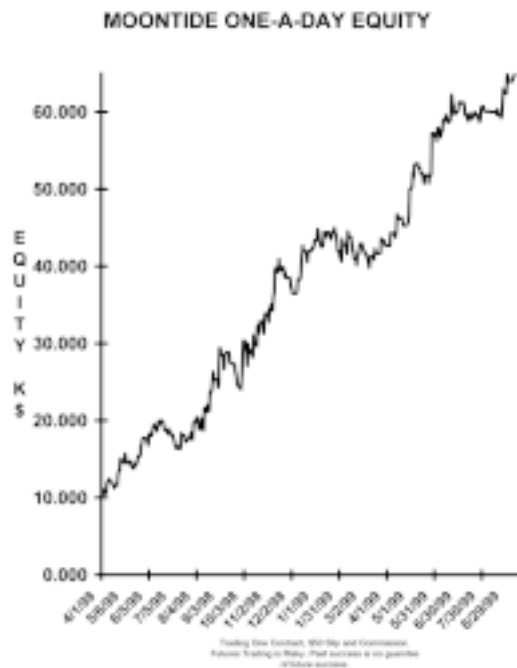


PEOPLE AND HAPPENINGS

I thank you all for the many emails, phone calls, and faxes. It is always fascinating to me that when the stock market rallies, that my course sales and phone calls decline. When the market starts to drop and especially on days when it drops sharply the phone starts to ring and sales pick up. My interpretation is that people feel that they know enough about what markets do what they do when they are going up but not when they are going down. I guess that is human nature. In reality, markets are always doing exactly what nature intended them to do. The ups, the downs, the congestions, and the chaotic moves are all part of the natural cycles.

The natural cycles were sharply illustrated by our weather this year. Going into the fall equinox the weather was warm and the trees still had green leaves. Then when the equinox came the leaves turned yellow and started falling within two days, and this week we had our first snow. So just remember that there is a time and a season for everything under Heaven.

Hans



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 number 1-900-776-7272. \$2 / minute for 2 to 4 minutes. Access from non-900 areas can be arranged by calling 303 224 4441.

SEPTEMBER						
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OCTOBER						
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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)

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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