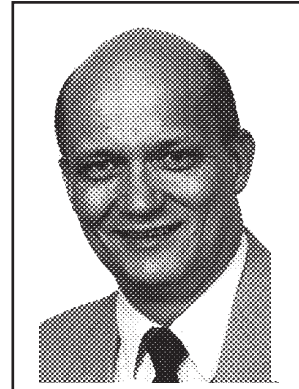
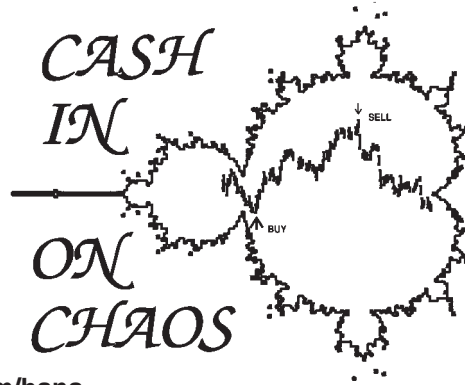


Yes,
you
can



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

CASH IN ON CHAOS NEWSLETTER - AUGUST 22, 2000- 2000-8

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

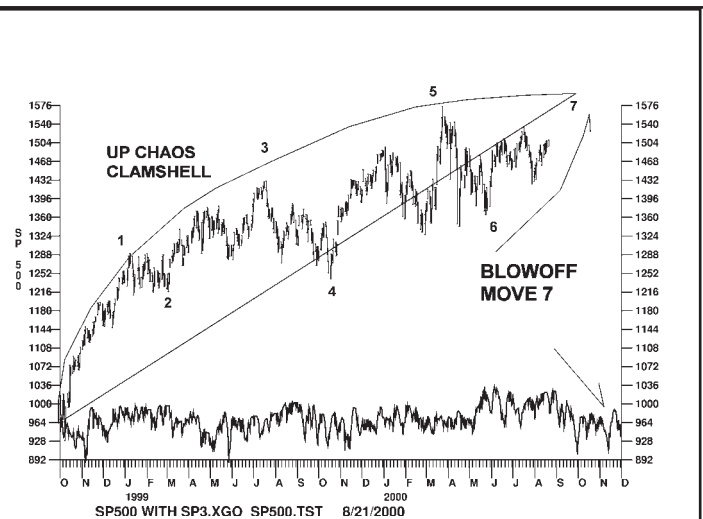
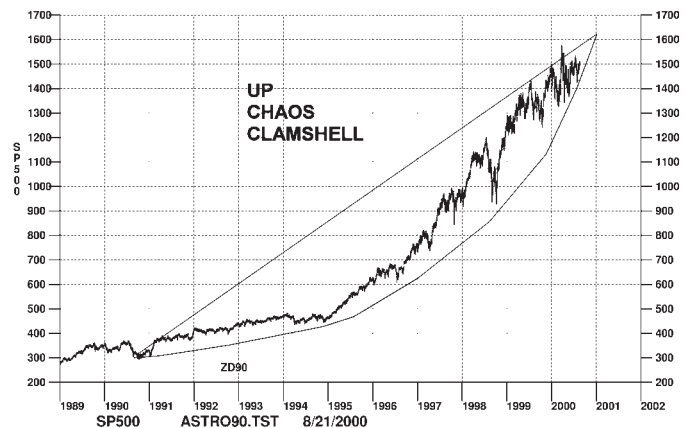
Stocks summer rally, expect top soon. Tbond trend nearing end . IBM still congesting. Interest rates going higher after a pullback. Swiss Franc probing for a bottom. Gold deader. Wheat searching for bottom at historic lows. World markets bullish but nearing tops. AI's crunch analysed. Lunar chaos mechanism explained. Simple forecast method.

STOCKS

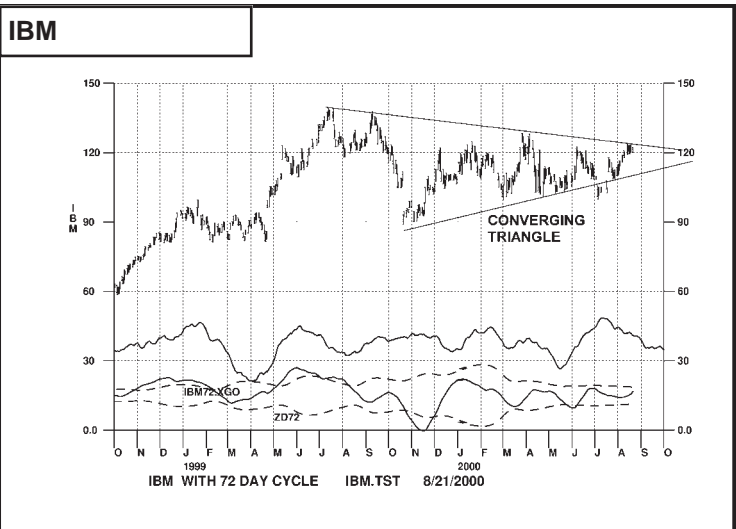
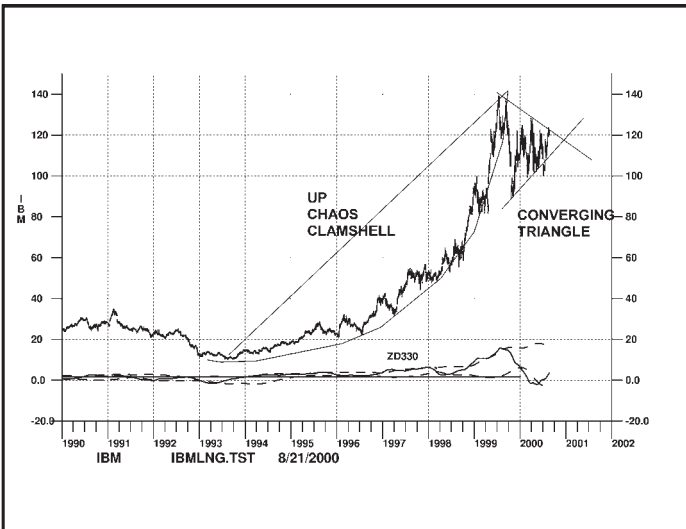
Stocks have continued their summer doldrums. This market action has all the earmarks of a major distribution top. The long term chart shows the decade long up Chaos Clamshell. Notice how prices have lost their momentum over the past 18 months. The long term outlook would suggest a pullback before a substantial advance.

The near term chart shows that prices are likely to rally to a marginal new high and then decline. However, the time for that rally is rapidly running out. The pattern shown on the near term chart shows an up Chaos Clamshell from October 1998. According to that pattern, we are in move 7 of the CC. Within that move prices have come about halfway.

Move 7s frequently take on the characteristic of a fast blowoff move. If this move 7 is going to do that, it needs to rally sharply in the next two weeks. After that the odds of a sharp rally decrease dramatically. The reason for this is that the SP3.XGO energy curve (at the bottom of the chart) starts dropping sharply. While there may be some delay in the price reaction, this energy drop will lead to a drop in prices. Such a drop would probably bring the S&P to the neighborhood of 1240.



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 continues to congest inside its converging triangle. The long term chart shows this converging triangle clearly. Converging triangles represent areas of balance between buyers and sellers. Chaos theory says that technically this balance can be broken either way. In technical analysis terms, this triangle could be a triangle top or a corrective triangle. If it turns out to be a corrective triangle it would probably be the midpoint of a longer term rally pattern.

A converging triangle like this is actually quite easy to trade. Place a buy stop above it and a sell stop below it. When one stop is hit, move the other one to the midpoint of the triangle.

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**.

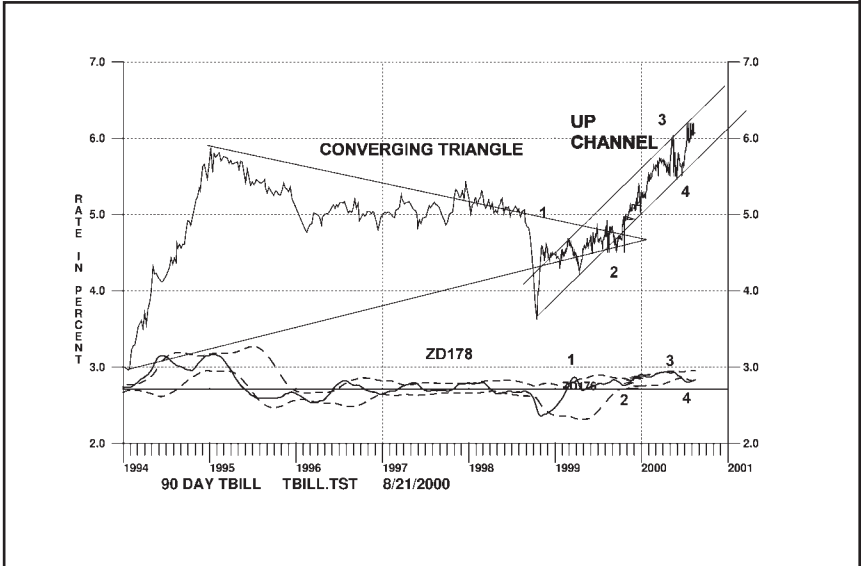
ECONOMY/RATES

Interest rates continue to move up in a clear up channel. Within that channel we can now see 4 moves. We can use the information about Chaos Clamshells, which have 7 moves, to anticipate 3 more moves in interest rates. Further, we can use move 4 as a midpoint marker. Typically, prices will move as far in moves 5, 6, and 7 as they did in moves 1, 2, and 3. Using this technique we can anticipate interest rates going to about 7.2 percent.

Last month I wrote about the golden opportunity represented by the Internet. Now I would like to tell you the biggest problem I see with this technology based New World of cyberspace.

In one word, the problem is this: **RELIABILITY**. Having spent years at Bell Labs learning to design systems that would only be down 5 minutes in 40 years, it amazes me that the equipment and software that runs the Internet works at all. There is a very basic reason for this. Without being a reliability engineer everyone knows that a chain is no stronger than its weakest link. Consider a chain of 3 links. If the first link has a 90 percent probability of not breaking, the second link has an 80 percent probability of not breaking and the third link has a 70 percent probability of not breaking, what do you think the probability of the chain not breaking is? It is not 70 percent. It is less. The answer is, .9 times .8 times .7, which equals .504. So the chain has a 50 percent chance of breaking. Of course, by using chains in parallel, things can be improved. That's called redundancy. But most of our PC's and PC software and communications systems used to build the Internet have little or no redundancy. So you can expect these systems to fail routinely.

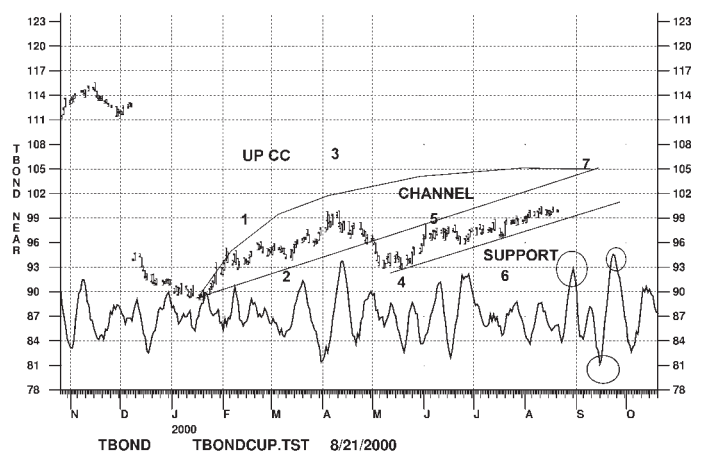
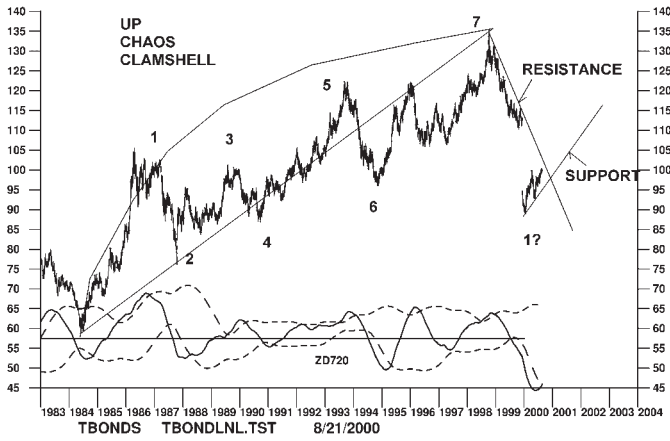
All this means that you should be careful of how you use the Internet and how much you depend on things working. Always have a backup plan.



People with goals succeed because they know where they're going.

Earl Nightingale

TBONDS

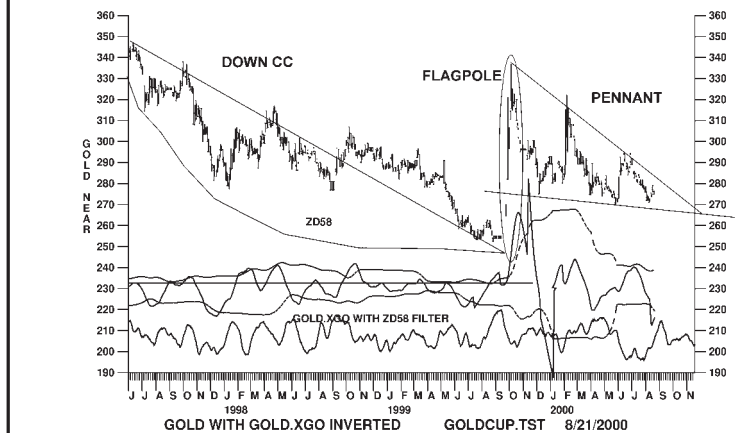
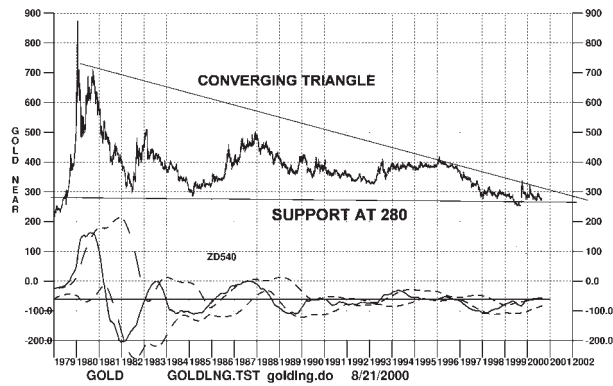


Tbonds continue a weak rally. The long term chart shows that this rally is coming to a decision point. The support line and the resistance line are converging.

The near term chart shows the up CC, which is in its move 7. This move should end on the energy high in early September or the one in late September. With interest rates rising, a sharp break in Tbons could come at any time.

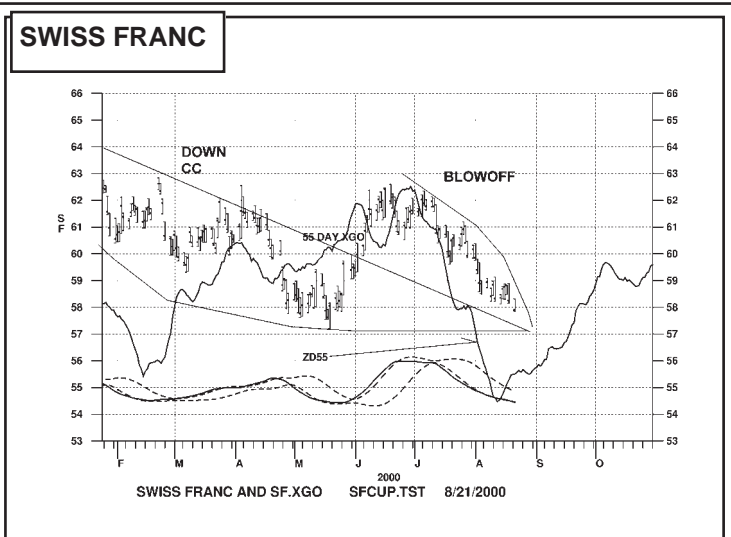
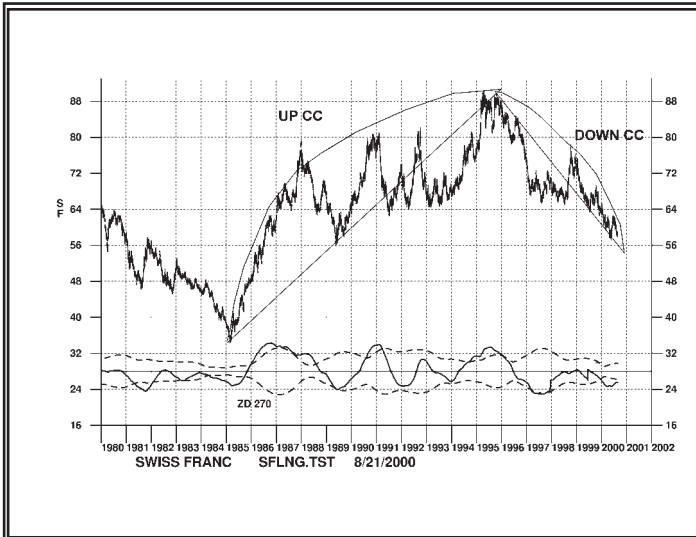
Ideas are funny little things. They won't work unless you do.
Unknown

GOLD



Gold is deader than the zombie movies of the 1950's. If you are looking for excitement, this is not the place to be. The long term chart shows that it hasn't been the place to be for nearly three years. That chart shows a huge converging triangle, which converges and then extends to converge again. Chartist theory says that eventually there will be a breakout from this triangle. But it may not be in our lifetimes.

A more opportunistic outlook can be argued from the short term chart. That chart shows a clear flagpole and pennant pattern. Classic charting theory says that pennants are continuation patterns. So we should expect higher prices. The easy to trade a pennant is to trail a buy stop above it. However, that stop may not be hit this year. The 58 day energy cycle peaks at the end of August and is down into November.

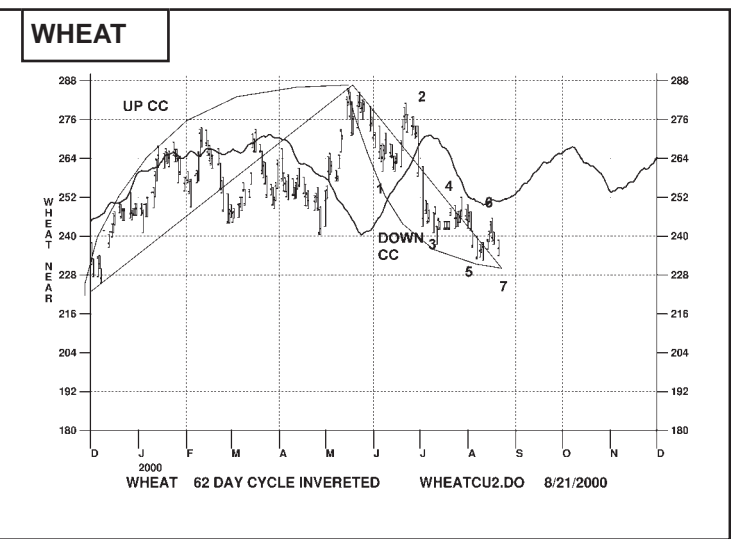
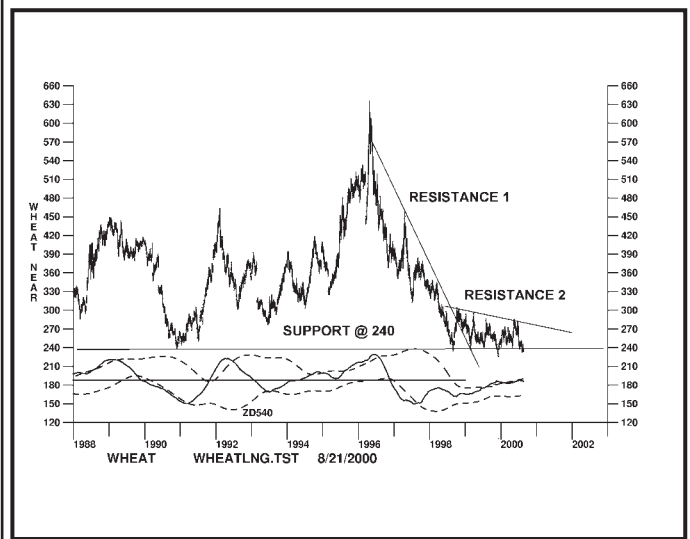


The Swiss Franc appears to be searching for a bottom.

The long term chart shows a down CC in its final stages. The near term chart shows that the decline of this past month has the shape of a blowoff move. The 55 day energy cycle is now turning up. This is confirmed by our 55 day Zero Delay tracking filter. So the Swiss Franc looks like it is set up to rally over the next two months.

I contend that dishonesty will create a failure force that often manifests itself in other ways - ways not apparent to the outside observer.

Joseph Sugarman

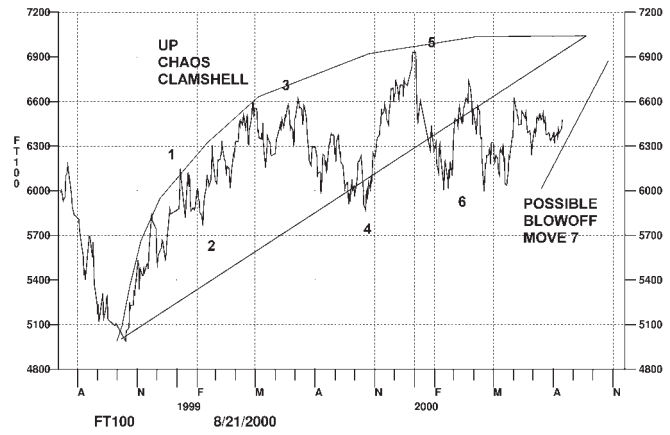
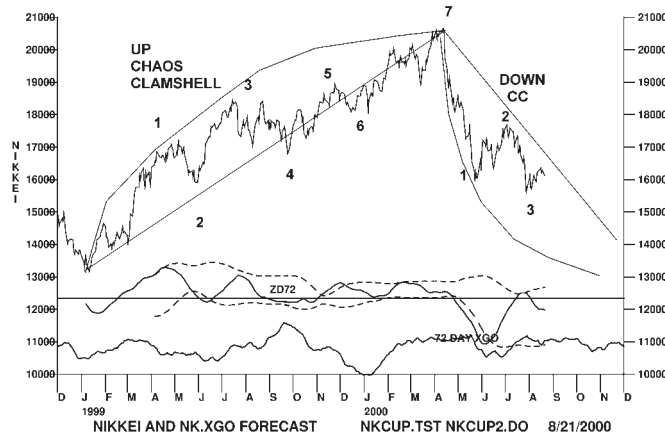


Wheat continues to hold near the historic 240 support level. The long term chart shows that the downward resistance has shifted from the steep resistance 1 line to the shallow resistance 2 line. Resistance 2 and the support line now have prices trapped in a congestion zone. I expect that this will be a congestion bottom.

The near term chart shows that wheat is trying to find a bottom. The 62 day energy function inverted during the month. It is now showing a probable low. Traders will probably want to wait for a sign of strength before taking much of a position in wheat. The possibility of a breakdown below the 240 level and a drop to the 180 level still exists, but is now a lower probability than it was last 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 \$99.**

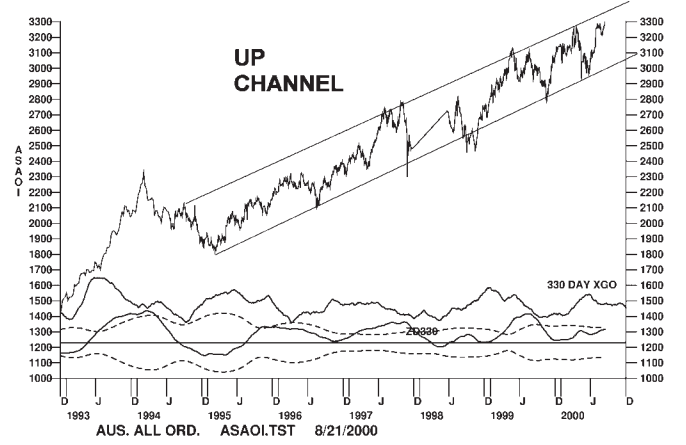
WORLD MARKETS



The Japanese market is now congesting in its down CC. After the congestion we expect further decline.

The British market shows a pattern much like the American market. That market looks like it is ready to stage a rally to marginal new highs. But it had better move soon.

The Australian market continues its strong performance. It rallied sharply off the bottom of the up channel shown. However, it is nearing the top of that channel, so a near term pullback is probable.



CHAOS CLASSROOM

The chart at the right shows a bull market. The question is, "When will it end?"

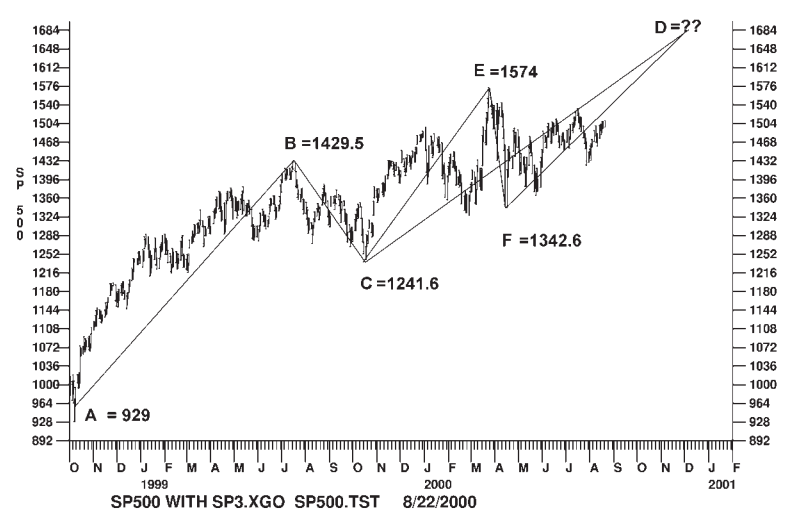
This can be answered by a classic forecasting technique, described by Larry Pesavento in *Fibonacci Ratios with Pattern Recognition* (ISBN 0-934380-36-8).

This technique, based on the concept of zigzags within channels, says that in a three move series the third move will equal the first move. In the chart shown, $AB = CD$. Using the prices shown, this would forecast D at 1742.1.

There is a second zigzag in this chart, CEFD. Using the numbers for this pattern, D would equal 1675.

A Chaos Clamshell overlay on this chart gives a probable price near 1680.

So if we get a blowoff rally, it should end near one of these prices. Should you see that happening, it is time to trail a sell stop up under the market.



ASTROPHYSICS AND CHAOS THEORY

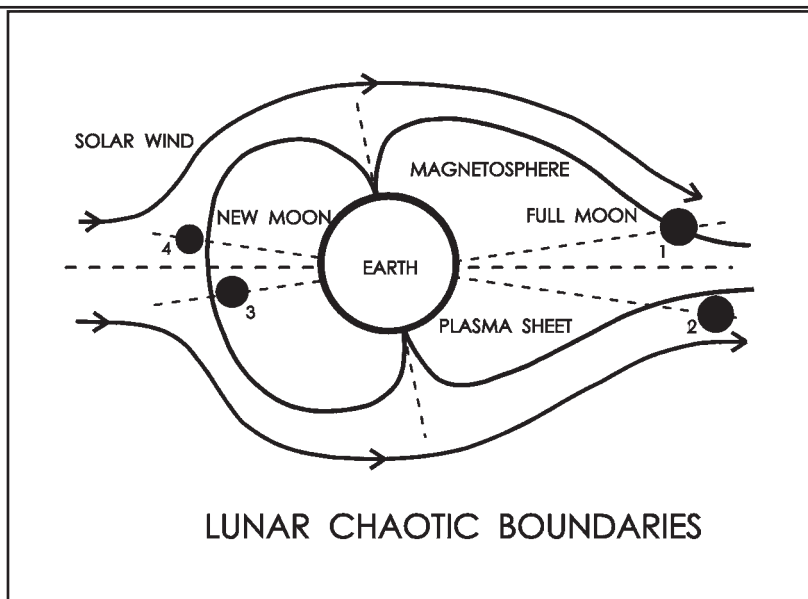
The calendar on the back page shows dates marked **M** and **V**. These are Mercury and Venus Lunar Chaos Days. In August the 17th and 31st are Venus Lunar Chaos Days and the 30th is a Mercury Lunar Chaos Day. In September the 15th is a Venus Lunar Chaos Day and the 29th is both a Mercury and a Venus Lunar Chaos Day.

These days are days when markets tend to be volatile. So they are good days to watch.

This drawing shows the mechanism at work. The Lunar Chaos Days occur near full Moon and new Moon. But they are not always exactly at full Moon and new Moon. Either Mercury or Venus also has to line up with the Earth and the Moon. When this happens, these two nearby planets "jerk" the Moon.

This "jerk" can be enough to influence how the Earth interacts with the Earth's electric field. In the full Moon position, the Moon is interacting with the ionized tail of the Earth's magnetosphere. See locations 1 and 2 on the drawing. A minor perturbation can move the Moon inside or outside of the plasma sheet. This amplifies the electrical changes the Moon has on the Earth's electric fields. We feel those changes as emotions and buy and sell wildly. A similar thing happens at new Moon, shown at locations 3 and 4.

So watch these Lunar Chaos Days for higher than usual volatility. If you want to pick a few days a month on which to daytrade, these are good dates. There should be enough volatility to make it worth your while.



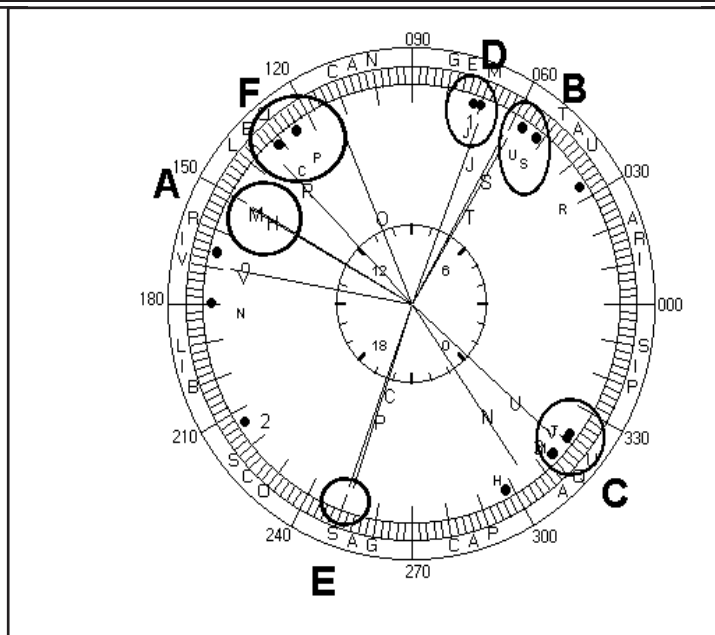
ENERGY

Since August 5th my life has been Hell. Not only has my web server gone down, but one of my other computers completely died, and another one began acting very strange. Of course, these ungrateful, inanimate objects planned this attack just before my vacation.

Any time anything unusual happens in my life, I always like to check my Ephemeris to see why it is happening and when it might end. When I do this, I find a few key words handy. Computers and communications (the web server problem was a network board) pointed me at Mercury and Uranus.

The chart at the right shows the current planets (lines) and my natal planets (dots). Today Mercury and Sun (A) are squaring my Jupiter, conjoining current Jupiter (D). D is also my ascendant. So my rising planet is being squared by Mercury. If that weren't bad enough, my natal Uranus is being transited by Saturn and the Moon. That activates current Uranus, which is transiting my Venus, Mercury, and Moon cluster (C).

The problem started when Mercury passed my natal Pluto and Chiron at F. This seems to have activated current Pluto and Chiron, conjoining at E. Note that A, E, B form a T square. Astrologers say that T squares can be difficult. This one has been. But better things lie ahead, as Jupiter returns to my natal Jupiter. Great time to go on vacation.



QUALITY IMPROVEMENT

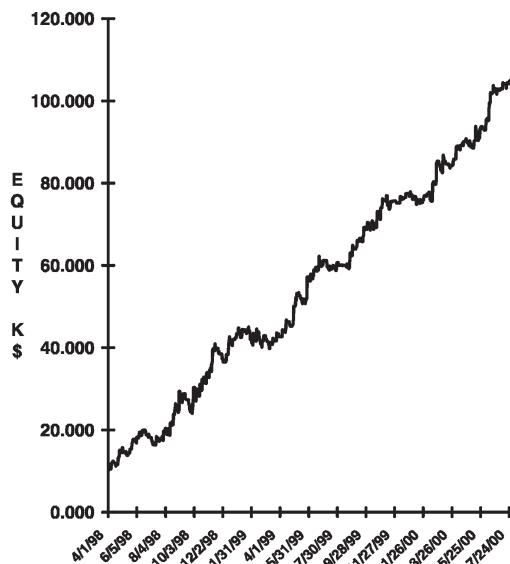
My quality efforts this month were driven more by necessity than by a well-laid plan. You won't see the results of my work directly, but you are already seeing it indirectly.

The charts in this newsletter have been produced by upgraded software running on a brand new Pentium 3 computer. This computer runs Windows NT and has been built to be my most reliable machine yet. It contains 3 hard drives, two of which are removable. One of these hard drives is used as a mirror of the main drive, using NT's disk mirroring capability. The other drive is a backup drive. It began life as a mirror of the main drive. A mirror drive is constantly updated the same as the main drive.

This is fine for hardware failures of the main drive, but there are times when you would like a copy of the main drive as it existed a few days ago. This is accomplished by copying the main drive to the backup drive periodically. So this machine always has a backup of its current hard drive, and of that hard drive as it existed a few days ago.

If you think I am a bit paranoid about reliability, you are right. I don't like things to break. They take time and energy to fix which I would rather spend doing other things.

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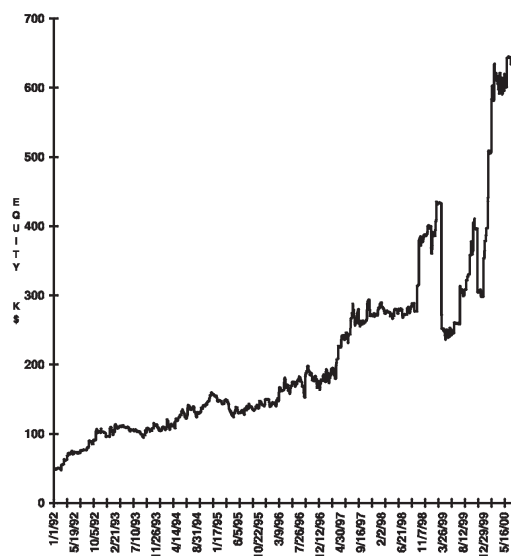
PEOPLE AND HAPPENINGS

I enjoyed a nice visit from GM. Congratulations to Larry Pesavento, who is now a grandfather. And many thanks for the many emails, and phone calls.

You may have noticed that this newsletter is earlier than normal. That is because I am going on vacation August 26th, returning September 11th. This is a "big" vacation. My wife and I are going to Hawaii for 11 days, and stopping in California to visit family on the way back. While in Hawaii, I will be searching for good pictures of tides and hoping to catch sight of the Moon conjoining Venus and Mercury on the 29th. Venus is trivial to see in the sky. It is our usual evening star. Mercury, on the other hand, is very hard to see because it is so close to the Sun. It takes a rare alignment, like the one August 29th, to get a good view.

All for now. See you next month.

HOTLINE POSITION TRADING TRACK RECORD



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>

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

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

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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FALL EQUINOX SPECIAL

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Good until September 30, 2000.