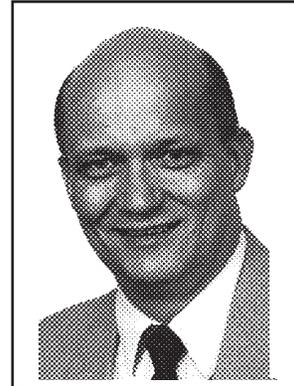
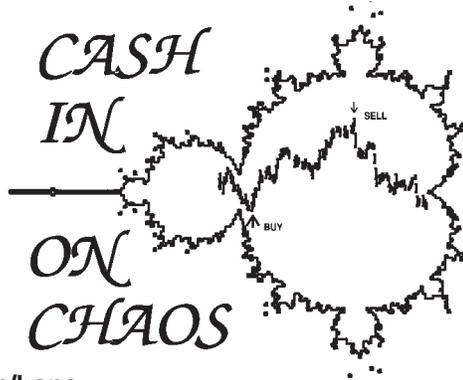


Yes,
you
can



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

CASH IN ON CHAOS NEWSLETTER - SEPTEMBER 29, 1998- 98-9

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

U.S. STOCKS ENTER BEAR MARKET. CRASH NOT DONE. TBONDS NEAR LONG TERM TOP. SWISSY RALLIES IN FLIGHT TO QUALITY. WHEAT BOUNCES UP FROM HISTORIC LOWS. GOLD PERKING UP. BIG BLUE MAKING HISTORIC TOP. FOREIGN MARKETS STILL WEAK. CRASH OF 1998 UPDATED. GM FINDS NEW WAY TO USE XGO. CHAOS AT CHAOS MANOR.

STOCKS

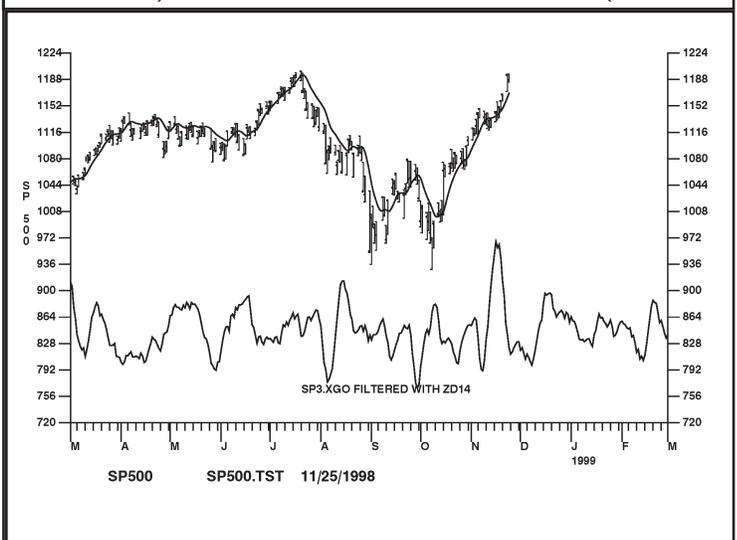
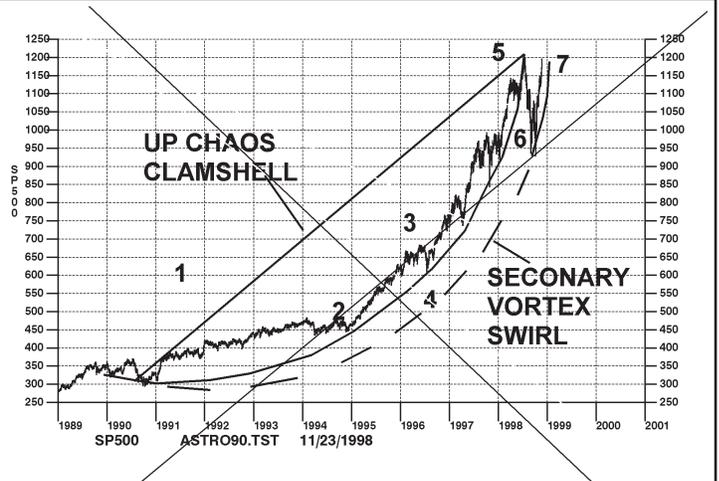
Stocks have staged a dramatic rebound and are currently retesting the July highs. We expect a short term pullback and then an advance to marginal new highs in early 1999.

The long term chart shows the up Chaos Clamshell (CC) from 1994. The bottom of that clamshell is a vortex swirl. The recent sharp rally is a secondary vortex swirl. Such patterns usually result in no more than a temporary new high. Therefore, we continue to believe that investors should be out of equities and mutual funds for the next several months.

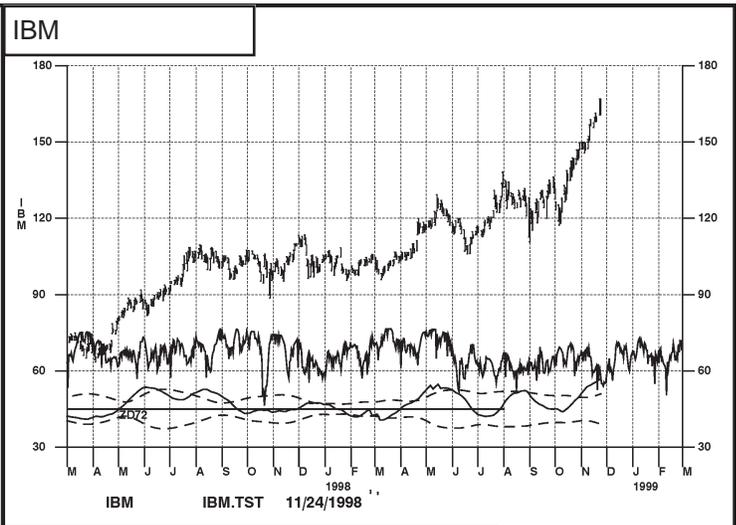
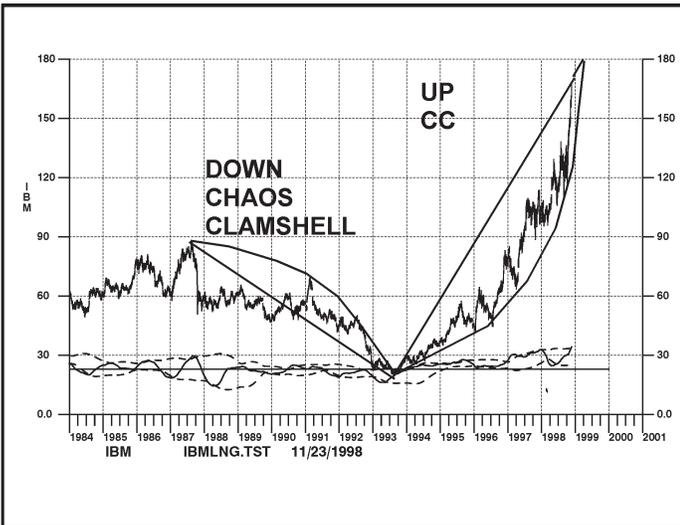
The near term chart shows what appears to be a trading range in the S&P. That trading range is centered about 1080. Also shown on the chart is the SP3.XGO filtered with a Zero Delay 14 day (ZD14) filter. This accentuates the moons contribution to the SP500 energy. The numbered points show an approximate two month cycle of highs and lows. The SP500 tends to run on the 6th harmonic. The two month cycle is 1/6 of a year. This cycle is coming into a top now and shows a sharp drop in December.

We expect that drop to pull back to the middle of the trading range near 1080. If it finds support there a rally to new highs is probable.

Investors should be out of equities. Traders check the hotline for updates.



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 has continued to rally in a spectacular rebound from its 1993 low. Its stupendous rally has been based upon Big Blue's reinvention of itself. IBM has moved from being a provider of main frame computers to a provider of Internet web servers and Internet software services. It is rare that an old company manages to reinvent itself, but IBM has.

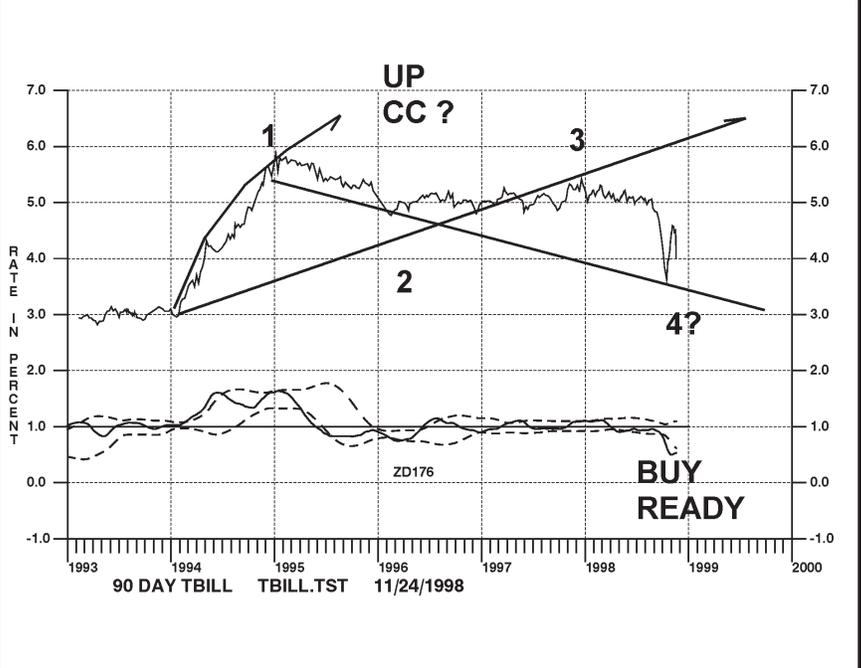
The recent move has carried prices from 100 towards what looks like a high near 180. The near term chart shows five moves in an up Chaos Clamshell which began in March. We should see a pullback and a move 6 and another sharp rally to finish off a move 7 probably in January.

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, as the world knows, were dropped sharply the Federal Reserve. The chart at the right shows that they dropped about 22 percent. Keep in mind that this is a reduction in income for US bankers. This move was made out of FEAR. The three quick cuts in interest rates by Mr. Greenspan were not made for the benefit for stock market investors. They were made because of the serious economic problems around the world.

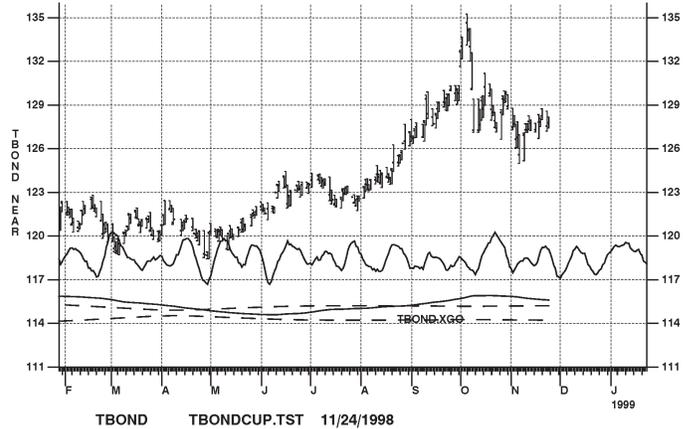
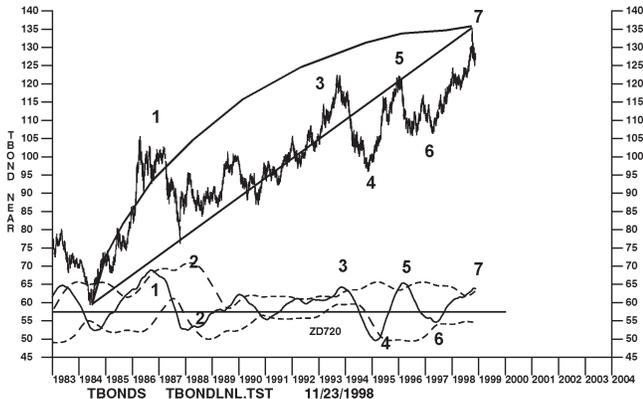
Going into the holiday season things look much better than they did six weeks ago. The Japanese have voted to spend their way out of their recession. Brazil was rescued with an economic package, and the crash of 1998 was nipped in the bud.



Remember that the Federal Reserve is run by bankers. Only dire economic conditions around the world would entice them to vote for a 22 percent cut in income. Will these band-aids fix the economic situation around the world? Probably not. The global economy has opened up severe cost cutting wars. The weakened Asian economies, the Russian economy, and the Latin American economies will all continue to seek broader markets through cost cutting. Such moves eat into the profit margins of all companies. Many of these companies are still doing business through physical distribution of goods and processes based upon paper forms. Even those who have "computerized" are often simply using those computers to print paper. With the advent of the Internet and the current generation of software tools it is possible for a company to go 100% electronic, papers, Internet. The companies that do this will best be positioned to meet the challenges of the new millennium. Speaking of which, in a short 13 months we will find out how serious the millennium bug really is. Stay tuned.

When you cease to dream you cease to live.
Malcome Forbes

TBONDS

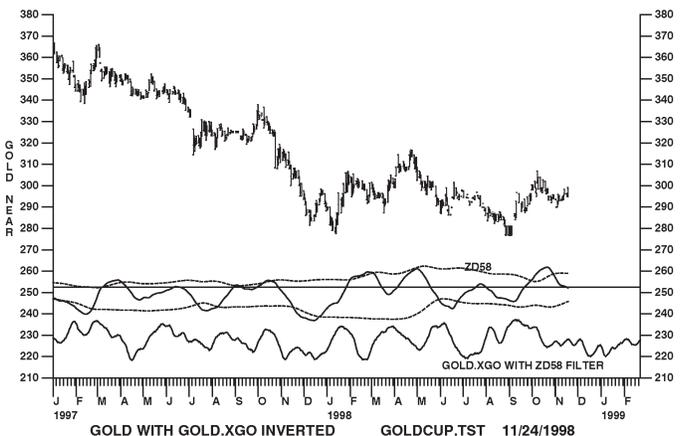
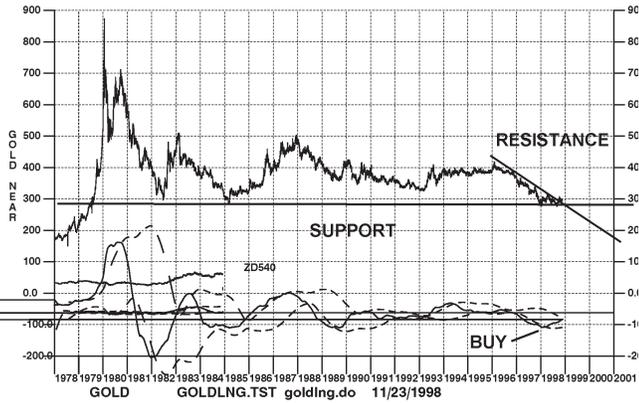


Tbonds continue to work lower after the historic pop they made in September. The slide probably would have been worse had it not been for the interest cuts. Normally one expects interest rate cuts to raise bond prices. So why are bond prices eroding? I think it is because of recognition of the risk involved. The near term chart shows that the ZD180 cycle has given a sell signal. This cycle tracks the Saturn-Node cycle which hit 120 degrees September 30th, exactly when bonds peaked. The next turn in that cycle is September 3, 1999, at 90 degrees. If bonds follow that cycle until then they will pull stocks down as well.

Cherish your visions and your dreams as they are the children of your soul; the blueprints of your ultimate achievements.

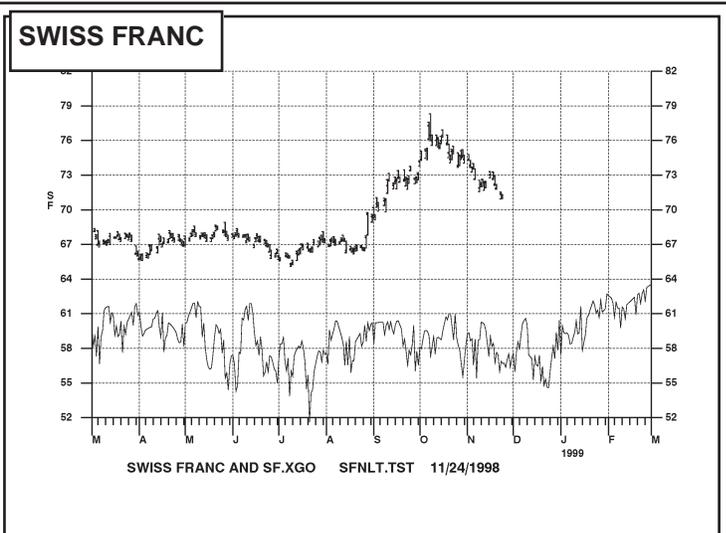
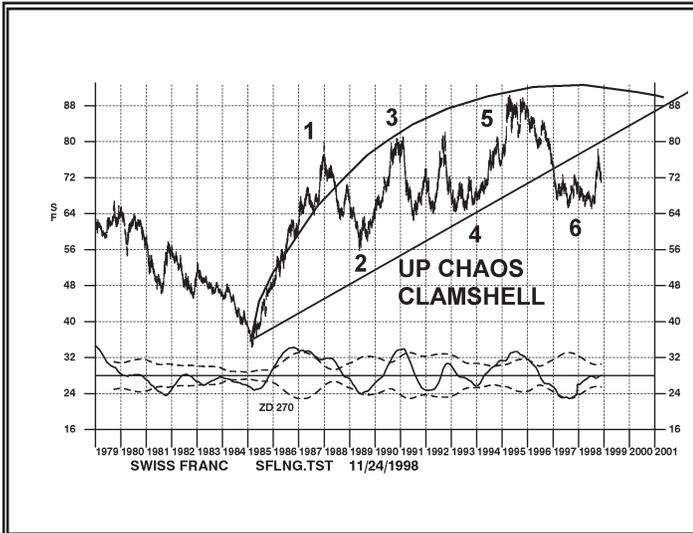
Napoleon Hill

GOLD



Gold continues to move higher from its support base of 277. It has broken the long term downward resistance and appears to be forming a new up CC.

The near term chart shows GOLD.XGO filtered with the ZD58 filter. This filter has worked well at catching the intermediate swings in Gold. When applied to the XGO energy calculation it gives us a tool to anticipate future turning points. Compare the ZD58 curve with the filtered GOLD.XGO curve. On the left half of the chart the highs and lows came together. In January of 1998 Gold inverted and started following the inverted energy curve. Note how the recent low in September coincided with a high in the filtered XGO. The filtered XGO is now down into January implying that Gold priced will rally into January.

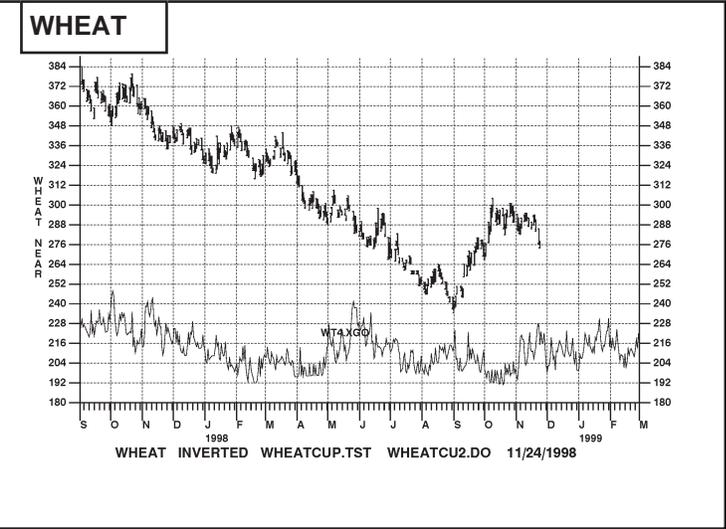
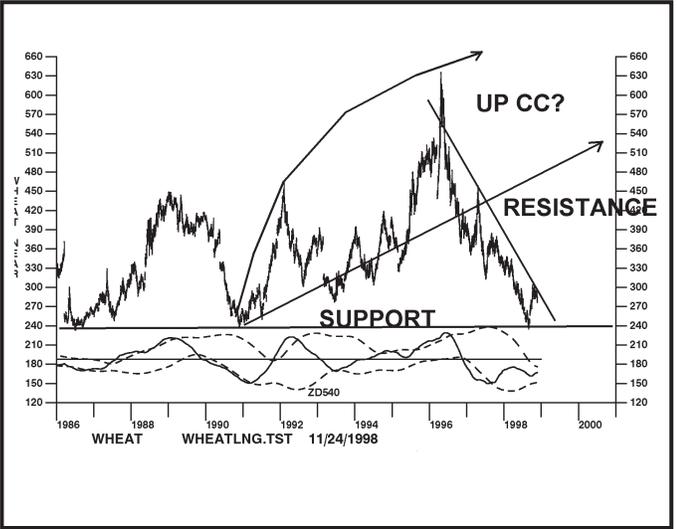


The Swiss Franc continues in move 7 of a long term Chaos Clamshell. That move should last throughout 1999 bringing the Swiss Franc back up to its historic highs.

The short term chart shows the first two moves of a new up Chaos Clamshell. The second move may not yet be complete. The SF.XGO shows a low in early December and another low in late December. After that the energy rises sharply in the first two months of 1999. Traders are currently on the sidelines after catching part of the rally. Check the hotline for updates.

Rather fail with honor than succeed by fraud.

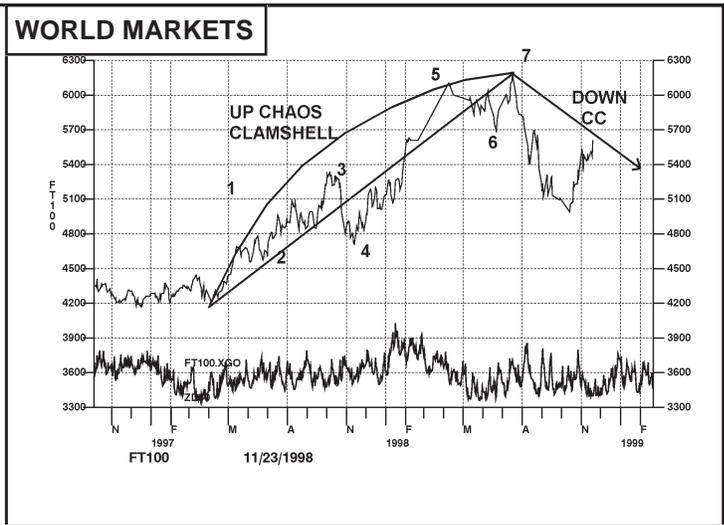
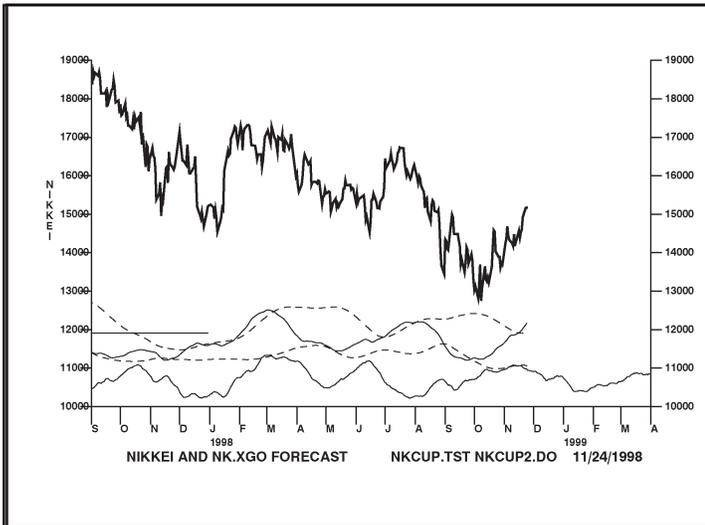
Sophocles



Wheat is continuing to form a base in the long term chart. Prices have found support at 240, a historic support level. The rally is being held back by the downward resistance line. Once prices break above that line a good rally should be on.

The near term chart shows the beginnings of an up CC which has met resistance. The rally shown is probably move 1 and the pullback in progress is probably move 2 of this up CC. WT4.XGO indicates a low in late December with a rally in January.

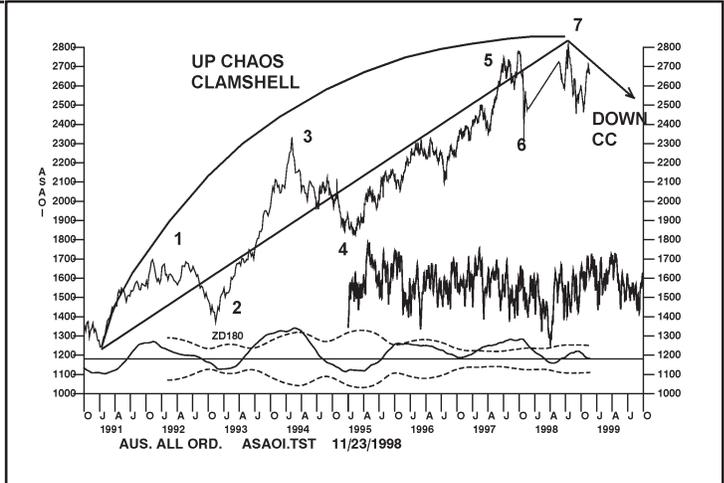
George Bayer wrote about trading wheat using Mercury, Saturn and Jupiter. You can learn to find astrocycles with the aid of the **Trader's Ephemeris** and the **Finding Astrocycles** video-**JUST \$99.**



The Japanese market is set up for a down turn. The ZD72 filter is sell ready and the NK.XGO filtered with the ZD72 filter is down into January.

The FT100 has rallied to retrace 50 percent of its drop from last summer's highs. That rally seems to be move 2 in a new down CC.

The Australian market has similarly retraced less than 100 percent of its drop from the highs.

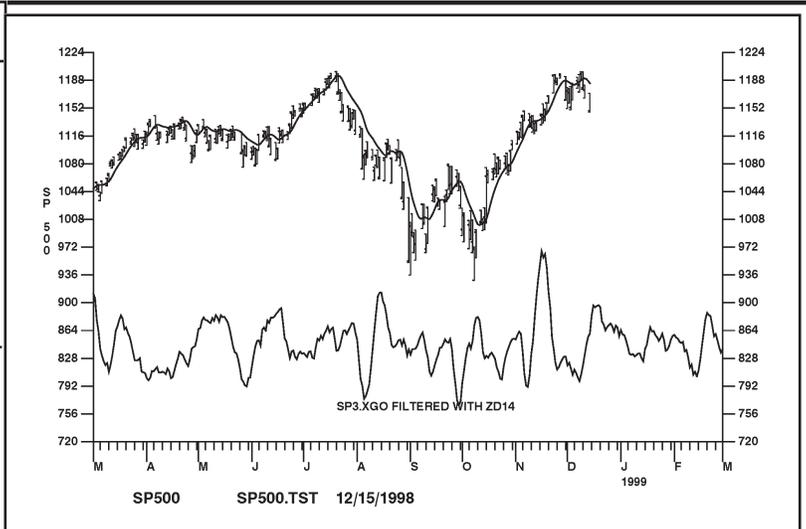


ASTROPHYSICS AND CHAOS THEORY

My introduction to Market Astrophysics came in 1976 when a former professor of mine, the Solar Eagle, told me that he had extracted the orbital period of Mercury out of the Consumer Price Index. When I visited him and checked out his mathematics I found that his extraction was mathematically perfect, so I asked him how the orbital period of Mercury could show up in an economical data series. He explained to me that economic data was effected by solar radiation. Researchers such as Luby and Clayton had shown this in the 1930's.

He explained to me that the planets caused tidal forces on the Sun. These tidal forces changed the amount of radiation leaving the Sun. Since then I have found that this change in radiation effects the voltage on the ionosphere which effects the electrical currents that flow through us, causing emotional swings in our buying and selling.

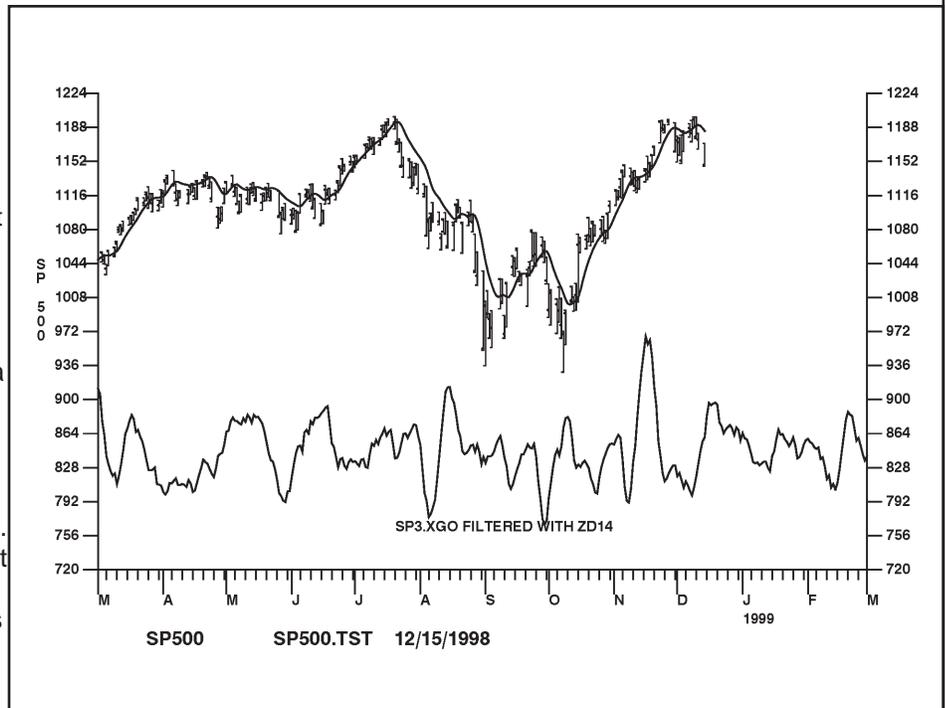
The Solar Eagle explained to me that the tidal forces on the Sun could be computed. When I did this calculation I discovered that the swings in the tidal force were often observable in economic price data. I wrote about this discovery in my article, "In Search Of The Cause Of Cycles", available in my book, "Market Astrophysics and Chaos". This chart shows the solar stirring force (Master Clock) with last years S&P500. The correlation is not always this good, but this one is hard not to notice.



CHAOS CLASSROOM

The chart at the right shows the MoonTide energy function filtered with a Zero Delay cycle whose length is set to 6 trading days. The MoonTide data consists of one minutes samples, 405 per day. So the ZD filter is set to a length of 2430 samples.

The Zero Delay (ZD) filter is a unique discovery of mine. It filters cycles out of data without a delay. Most filters have a built in delay equal to $\frac{1}{2}$ of the cycle length. A six trading day filter implemented with normal filter technology will have a 3 day delay. This creates a problem in using digital filters for trading. The ZD filter does not have this delay. It turns when the cycle turns. Further, it can follow cycles that vary in length plus and minus 50 percent from the nominal.



This chart shows an eight day Chaos Clamshell pattern in the MoonTides. Even though this pattern is 33 percent longer than the specified filter length, the filter correctly computed a turn in the tides of 8 trading days.

We are just beginning to realize that the ZD filter combined with our energy calculations gives us an additional tool for finding cycles longer than those immediately apparent in the energy data. Stay tuned as we refine this technology.

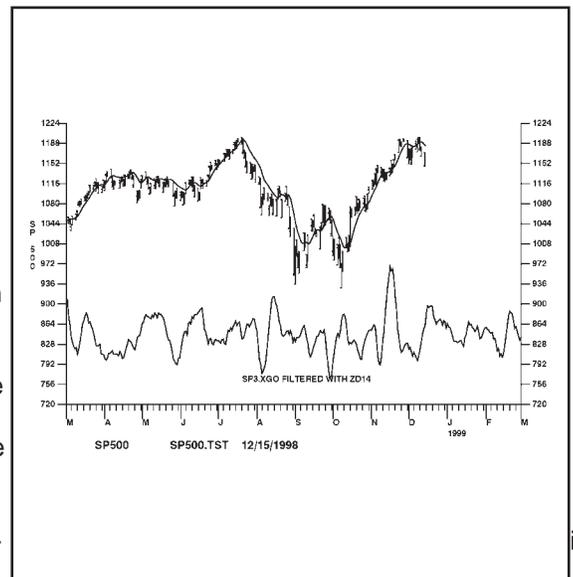
ENERGY

Have you ever felt drained after sitting in front of your computer all day? Many people experience this phenomena.

The cause of this "brain drain" is the sweeping electronic beam in the monitor tube. This beam starts at the top of the screen and sweeps left and right as it moves down the screen. When it reaches the bottom it jumps to the top and starts sweeping down again. This sweeping action creates a negative vortex in the earth's electric field in front of the monitor. You sit in that negative vortex.

Human beings were built to live in an upgoing positive vortex formed by currents that flow from the ground to the ionosphere. These currents provide us with energy. The negative vortex created by the computer monitor counteracts the positive vortex. The result is that we receive less electrical energy from our environment and feel drained. You may even get a bad headache or become slightly nauseous. Traders may find themselves becoming mentally dull and missing trading signals. A common symptom is failing to get out of a trade that has gone bad or failing to call in a stop.

Fortunately this problem is easily treated by placing four passive energy traps on the corners of the monitor. These energy traps are flattened copper coils which tune into this vortex and convert it into a positive vortex. As a result, the monitor becomes a source of positive energy rather than a source of negative energy. With traps on your monitor your "brain drain" will disappear. TV sets and florescent lights create a similar problem in your environment. Remember you are an electrical being living in an electric world. For more information check out our website at <http://www.cashinonchaos.com/hans>.



QUALITY IMPROVEMENT

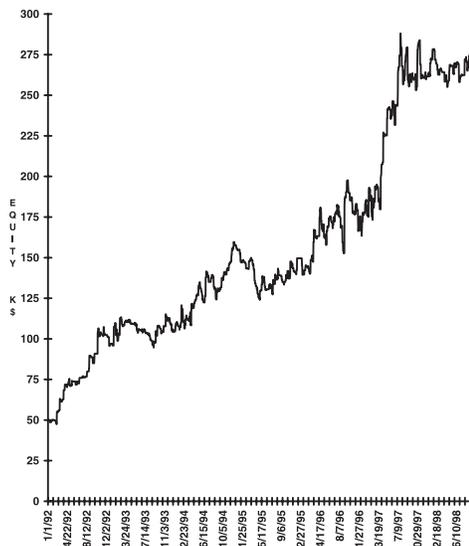
Quality efforts this month focused on going 100% EPI-Electronic, Paperless, Internet.

In the office we have reduced our paper consumption nearly 90 percent. This was done with software programming so that our charting software now produces graphics files inserted into a local Internet style page. That way we can quickly browse all of our charts as we do our daily analysis.

We have also converted our faxout hotlines to email. This required special programming to generate our charts in the proper form so that they can be viewed by clients. We even had to go so far as to provide a graphics decoding program for some AOL users. That effort now is complete and we are happily distributing our hotlines via email. We can provide both color and better content.

In the coming months we will be publishing this newsletter electronically. If you are a subscriber, please send us your email address so that you can get the next issue via email. To read your electronic newsletter you will need the Adobe Acrobat Reader. To learn how to get this reader program and to practice receiving an electronic newsletter, go to our website and follow the **Stock Outlook** link.

HOTLINE POSITION TRADING TRACK RECORD



Simulated result of trading one contract in all markets. Simulated trading results may not equal actual results. Futures trading is risky. Past success is no guarantee of future success.

PEOPLE AND HAPPENINGS

A special event this month was a visit by GM. His visits are always enlightening and fun. Especially since he was kind enough to take my wife and I and his niece to dinner at a very nice restaurant. Thanks, GM.

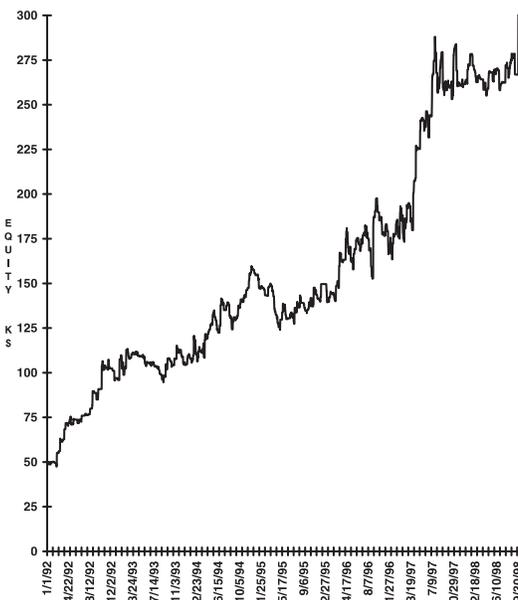
Conversion of our hotlines to email and new email software means that we are keeping up with our email dialogues with clients much better than in the past. In a number of cases, I have asked clients to help other clients do such things as load Moon-Tide data into Tradestation (Thanks, EB), and get AOL graphics working (Thanks, RF). I sincerely appreciate this help as we all move toward the electronic world.

The holidays are rapidly approaching, so this issue contains our 1999 Cash In On Chaos calendar and the 1999 charts for the Master Clock and the AstroPoint index.

All for now. Hope you are well and getting set for the Holiday Season. Happy Trading.

Hans

HOTLINE POSITION TRADING TRACK RECORD



Simulated result of trading one 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 your name tells you the last month you will receive unless you **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.

NOVEMBER						
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29	30					

DECEMBER						
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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 earths 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 earths 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.

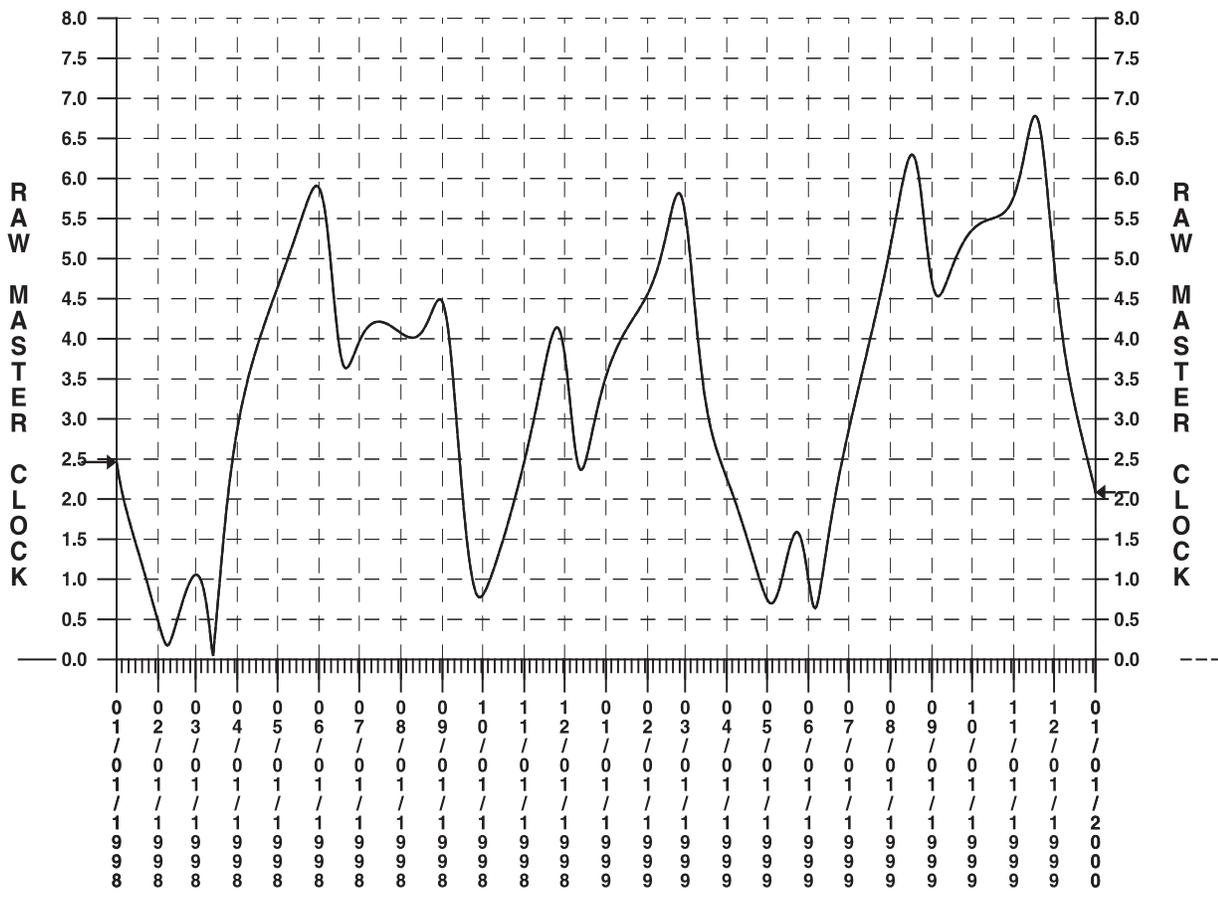
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XGO CHARTS

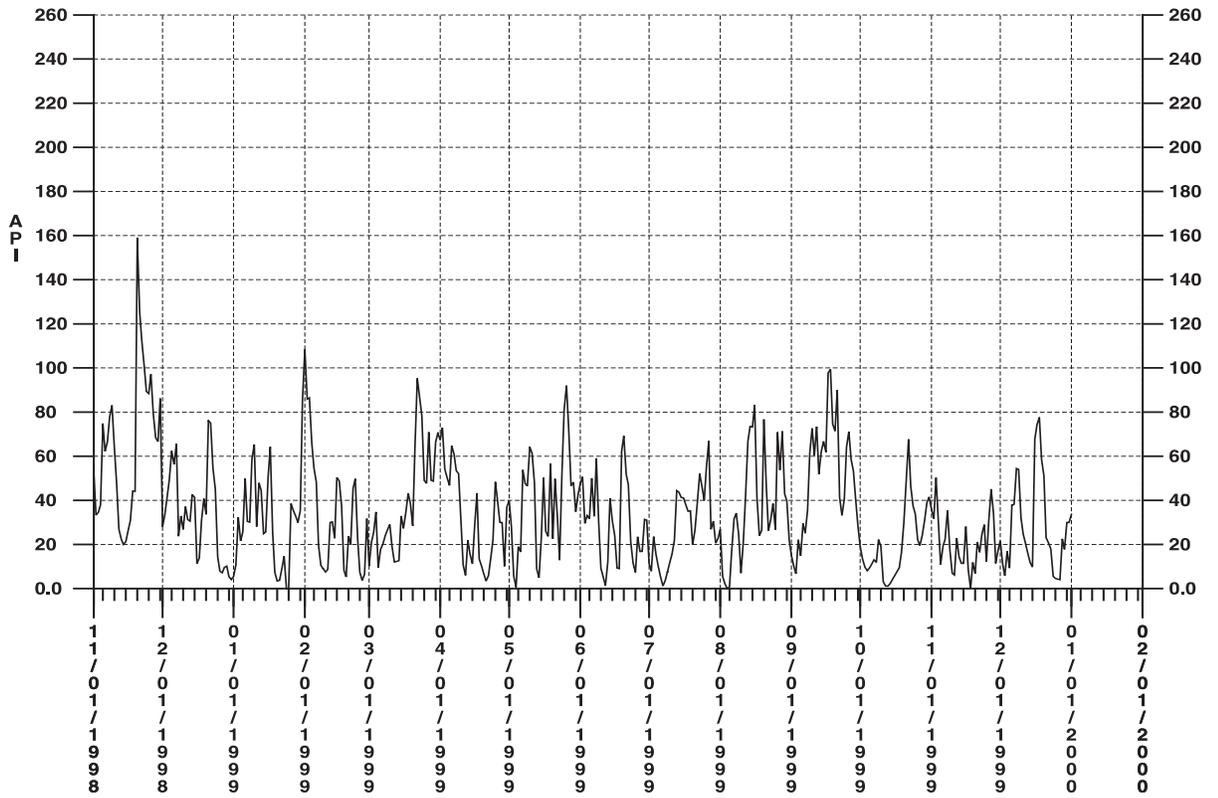
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ASTROPOINT INDEX (alpsplot <doap99) 11/24/1998