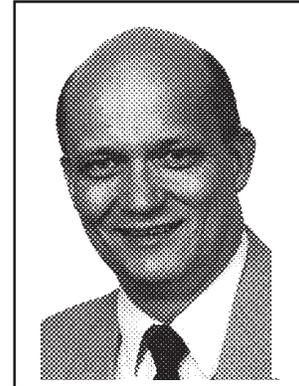
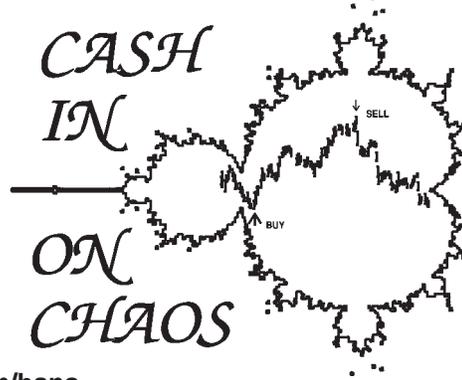


Yes,
you
can



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

CASH IN ON CHAOS NEWSLETTER - JANUARY 25, 2000- 00-1

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

Stocks fail on a retest of the high. Down trend developing Tbonds probing for support. IBM rally topping. Interest rates still rising. No profit businesses touted. Swiss Franc dropping. Gold starts a rally. Wheat breaks major resistance. World markets looking topy. Market astrophysics basics explained. My brush with death and the wheel of fortune. Planetary rainbow use explained.

STOCKS

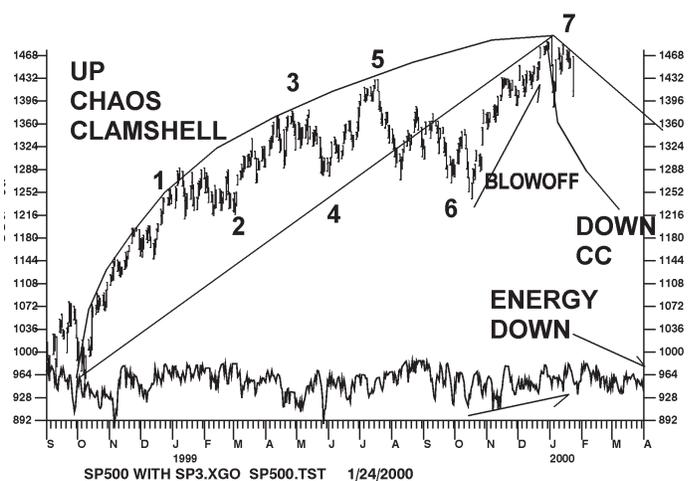
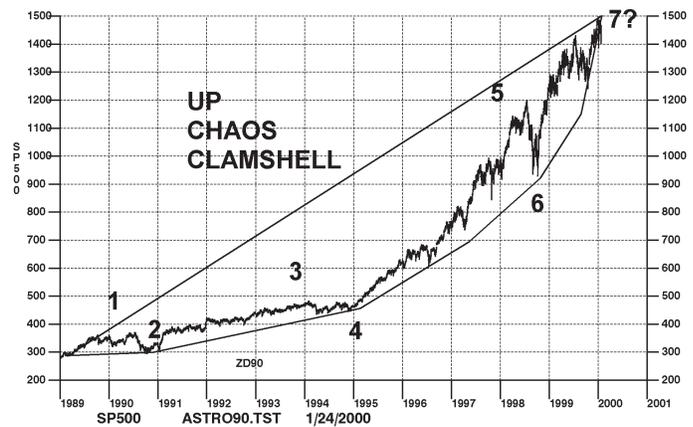
Stocks may have made a major top. The rally to retest the January 3rd high fell short of that high. Yesterday's sharp drop is, we think, the start of a decline into late March.

The long term chart shows the large up Chaos Clamshell of the past decade. The top of this clamshell shows a lot of congestion, indicating that momentum is falling. Once an up CC of this size completes, it is usually followed by a similarly sized CC down.

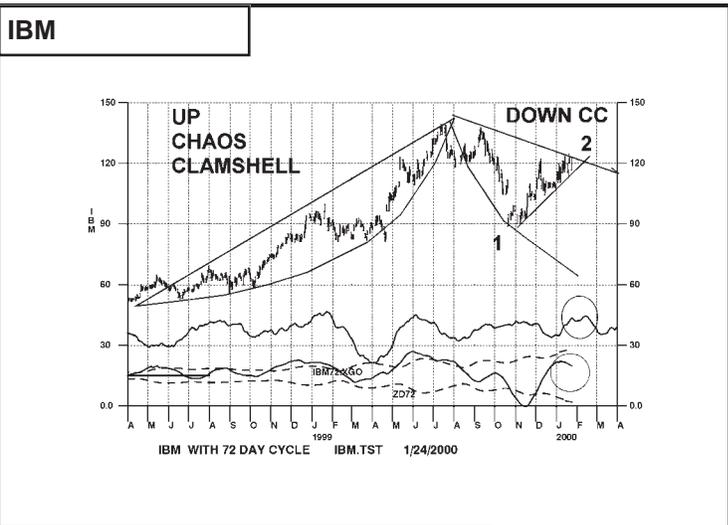
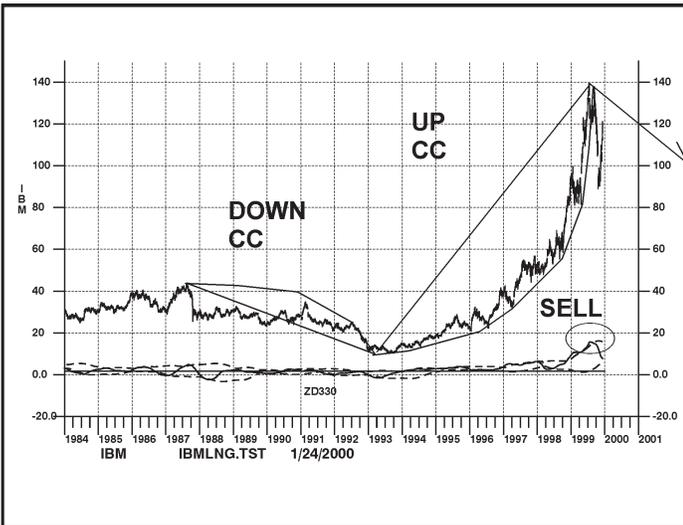
The near term chart shows the completed up Chaos Clamshell from late last year. The rally of last fall was the blowoff move 7. During that rally the SP3.XGO energy line (bottom of chart) was rising. That same energy line now falls over the next several months.

We expect this correction will bring back some good values in stocks. Right now we have found very few buying opportunities in stocks. So we continue to recommend that investors cash in their profits and be out of equities. We think the decline ahead will bring us back to last October's lows. This is not the type of correction in which to hold long.

Traders are short the March S&P from 1448.75, stop 1445. Check our position traders 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, \$3 per minute for 2-3 minutes,\$6-9 total.** See page seven for more details.



IBM has continued its rally, but may be peaking. The long term chart shows the resonant peak formed by the up CC of the past decade. Often such a pattern will make a mirror image about the peak. The sharp drop from the high and the sharp rebound are indications that this could be happening.

The near term chart shows the completion of the up Chaos Clamshell and the beginning of a new down CC. It appears that the rally is move 2 in the 7 moves of the down CC. A break of the trendline under this rally would be a good shorting opportunity.

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 rise and will probably be raised again early in February. Old-timers will remember the "three steps and stumble" rule. This rule says that three moves in interest rates in the same direction will turn the market. Three decreases will send stocks up. Three increases will send stocks down. Last fall we saw the effect of three decreases. The result was a good rally. The next increase in interest rates will be the third rise, and sets stocks up for a stumble.

The news is constantly full of "glory stories" about the high flying Internet stocks. These stocks are selling at infinite price earning ratios, the traditional standard of value. Ninety-seven percent of these stocks have no profits at all. They are flying high because they are being chased by a lot of money. Venture capitalists are pouring money into anything that looks like a possible winner in the "new economy."

The game plan in this new economy is not to sell products and make money. One CEO of such a company was quoted as saying, "Revenue is a distraction." The game plan is to take venture capital money, build a flashy website, advertise heavily, and attract a lot of traffic. Then get out. How do you get out? You sell your website based not on its earnings, but on its traffic. For example, Blue Mountain Arts, a Boulder, CO, greeting card company (I love their cards), sold their website for almost 1 billion dollars in cash and stock. The buyer, Excite At Home, was after the 12 million monthly visitors, not the 2 to 3 million in annual sales.

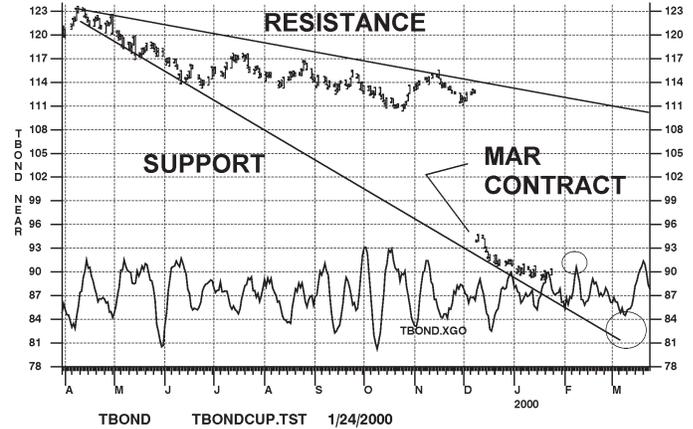
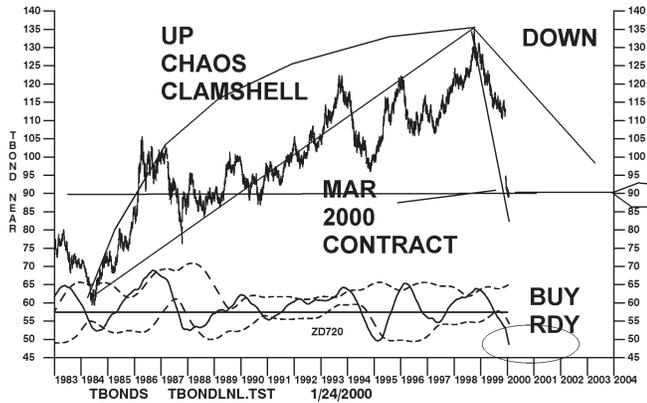
Eventually companies must earn money to survive. I suspect that those who find a way to deliver products after they buy traffic will survive. But it won't be 97% of those out there now. Be careful.



It is a funny thing about life; if you refuse to accept anything but the best, you very often get it.

Somerset Maugham

TBONDS

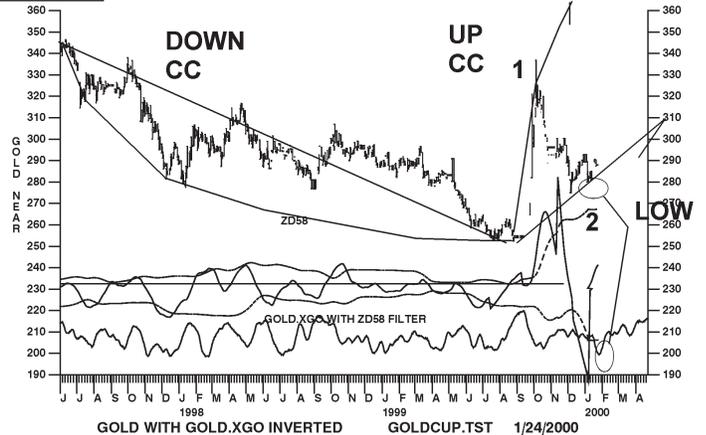
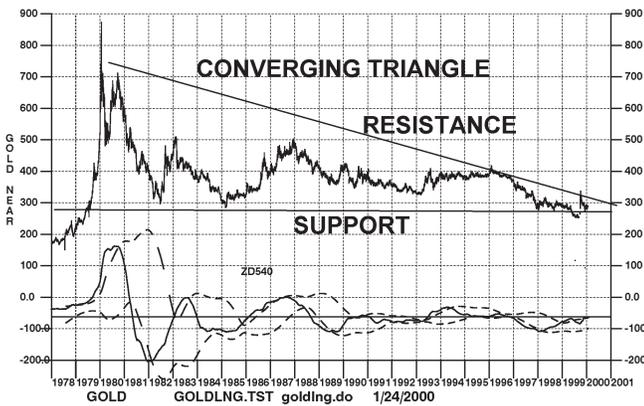


Tbonds continue to search for support near 90. The March 2000 contract has returned T Bonds to their traditional “below par” price range. This requires an adjustment to investor and trader psychology. This means interpreting what is happening is more difficult. However, the long term chart clearly shows that T Bonds are in a down trend.

The near term chart shows an expanding triangle pattern. The March contract is near the support line of the triangle. The XGO energy tells us to expect a high in early February and a decline into early March. These moves will have to be analyzed carefully for trading opportunities.

All things are difficult before they are easy.
John Norley

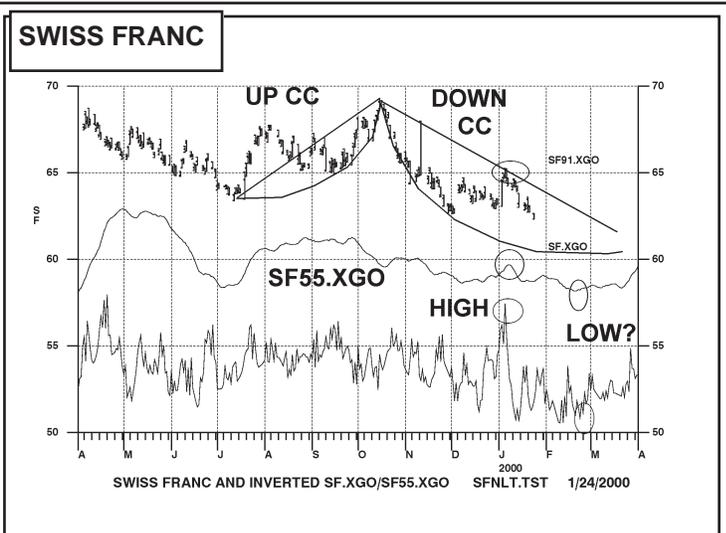
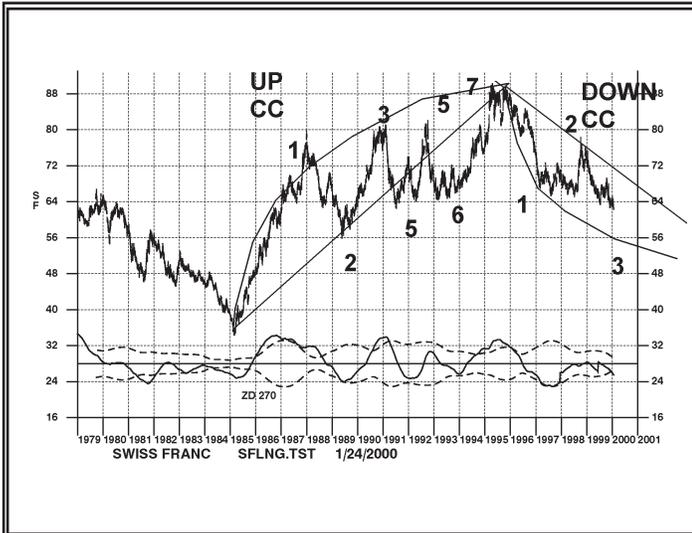
GOLD



Gold looks like it has made its pullback low. To confirm that, Gold needs to break above the resistance line shown on the long term chart.

The near term chart shows the probable completion of move 2 in the up Chaos Clamshell. That low came in January as called for by the 58 day XGO energy cycle. That cycle now is up for several months.

Long term, it looks like Gold could be the surprise investment of the new millennium.

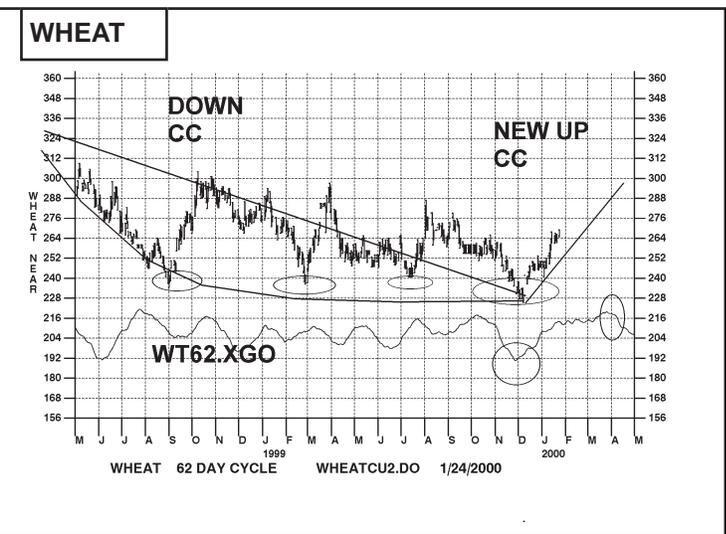
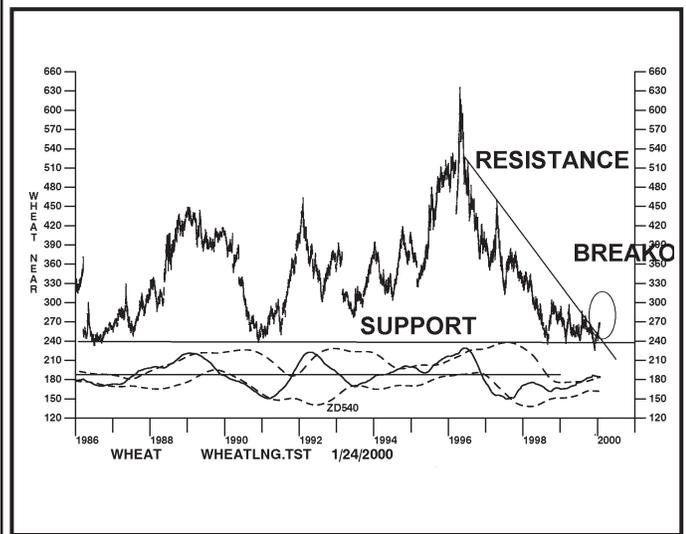


The Swiss Franc made the forecast peak in early January and has been declining since. As shown on the long term chart, this appears to be move 3 in a long term down CC. The ZD270 cycle is buy ready, so the move may be nearing completion.

The near term chart shows the 55 day XGO energy making a low in late February or early March. Our sketch of the down CC suggests that prices may reach the 60 level. Traders are short with a locked in profit. Check the hotline for updates.

Man's mind, once stretched by a new idea, never regains its original dimensions.

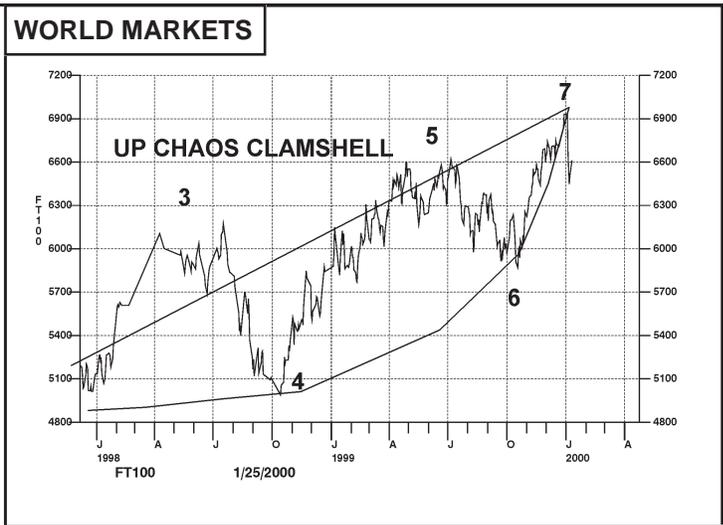
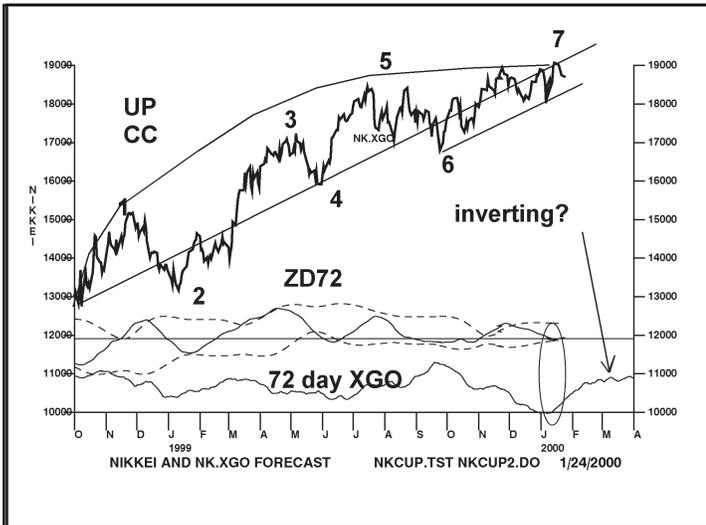
Oliver Wendell Holmes



Wheat has broken the major resistance line shown on the long term chart. It has also bounced off of the historic support line at 240. These are good indications that the long term trend in wheat is up.

The near term chart shows the normal (not inverted) 62 day XGO energy curve. That curve correctly called the low in January. It is now calling for a rally into April. Hotline traders managed to buy at 247, and now have a stop at 260 and holding.

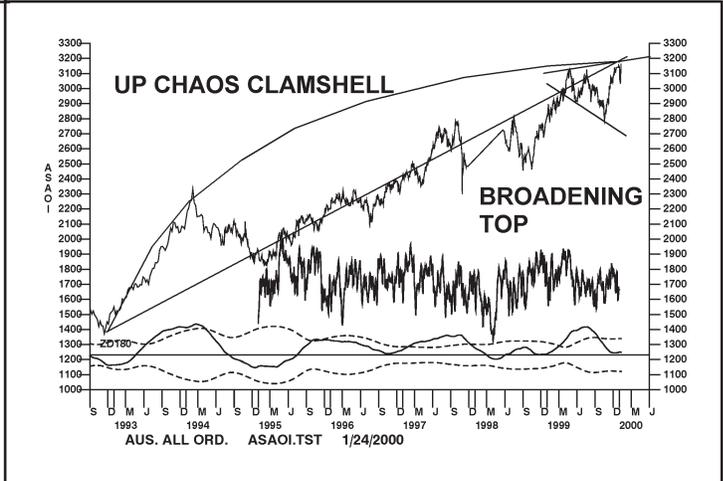
George Bayer wrote about trading wheat using Mercury, Saturn and Jupiter. You can learn to find astrocycles with the aid of the **Trader's Ephemeris** and the **Finding Astrocycles** video-**JUST \$99.**



The Japanese market shows an up Chaos Clamshell in its final stages. However, the 72 day XGO and the ZD72 are coming off of a January low. Something has to give. So be alert for the energy cycle inverting

The British market has fallen sharply off of its January high. It appears to have completed an up CC, setting it up for at least a modest decline in the 1st quarter 2000.

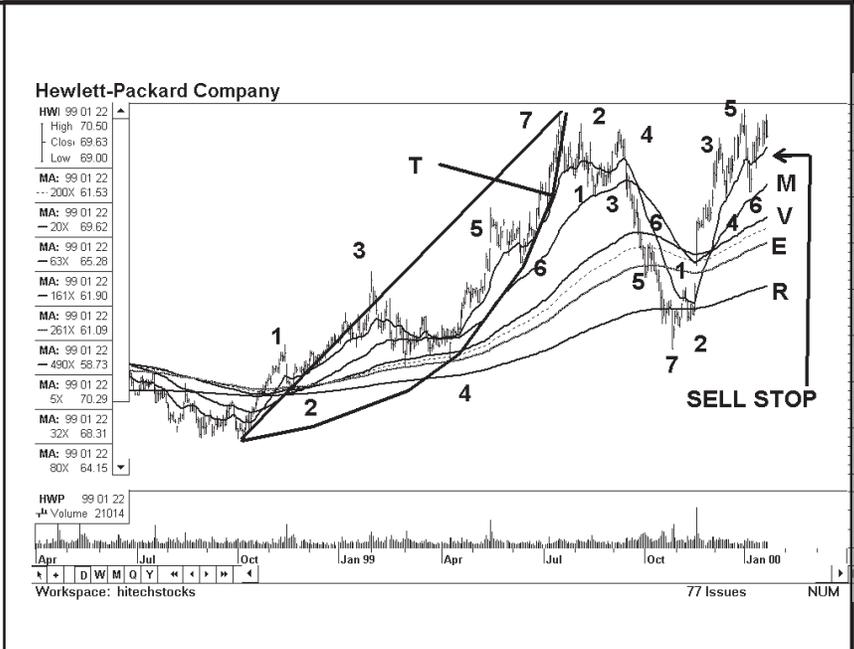
The Australian market shows an up Chaos Clamshell ending in a broadening top pattern. This indicates that the Australian market has topped.



CHAOS CLASSROOM

This is a brief tutorial on planetary moving averages. Even the most basic trading software can plot moving averages. I use the Power Investor program for tracking stocks. While it can produce most standard technical indicators, I use a rainbow of moving averages tuned to planetary cycle lengths. The chart at the right shows these moving averages marked R,E,V,M and T for Mars, Earth, Venus, Mercury, and Moon. Each moving average is set to the planetary cycle period converted to trading days. For example, Earth's 365 day cycle multiplied by 5/7 is a 261 trading day moving average.

The moving average can help one finds 7 moves in a Chaos Clamshell. When the rainbow of moving averages cross over, a new trend may be starting. When the averages diverge widely from each other, a significant high or low is forming. The fastest moving average, the Moon, can be used to set an entry stop at such points. In this chart, Hewlett-Packard is retesting its highs of last year, and is above all the moving averages. A sell stop can be placed just under the Moon's moving average.



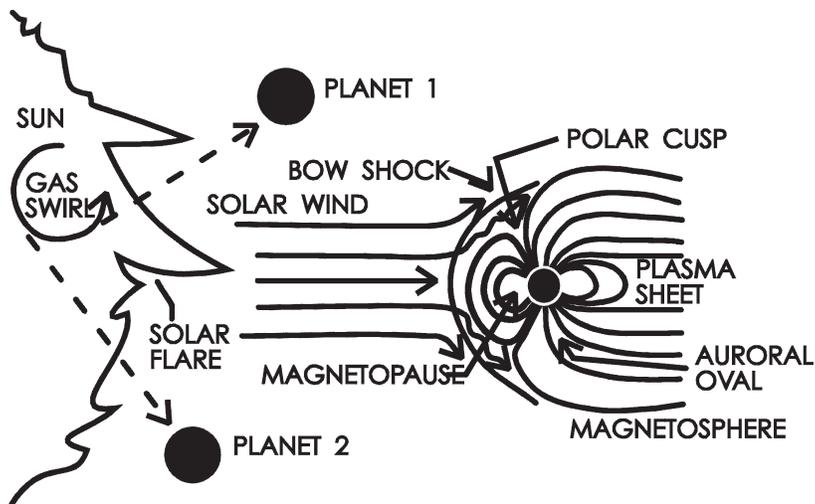
ASTROPHYSICS AND CHAOS THEORY

Once a year I like to restate the premise of Market Astrophysics.

Markets are effected by the solar energy system. As planets move around the Sun, they swirl the gasses of the Sun. These swirls result in Sun spots, solar flares, and coronal holes. These outbursts of energy change the amount of radiation leaving the Sun. This radiation is carried to the Earth on the solar wind. This stream of ionized particles forms a teardrop pattern as it passes the Earth. It is deflected by the Earth's electromagnetic field.

This interaction with the electromagnetic field forms the Earth's ionosphere. That ionized layer reaches a voltage of approximately 350 thousand volts. When we stand on the Earth we are standing on the negative end of this 350 thousand volt "battery". The resulting current flowing through us is 250,000 times as strong as the electrical currents that run our biological systems. This means that surges in the external current, caused by surges in Solar radiation, effect our emotional moods. These emotional moods show up in the buying and selling patterns we see in markets.

Our goal has been to model this system mathematically, using it to create forecast in future price motion.



ENERGY

Most of you know that I suffered a serious injury in November and nearly died of internal bleeding.

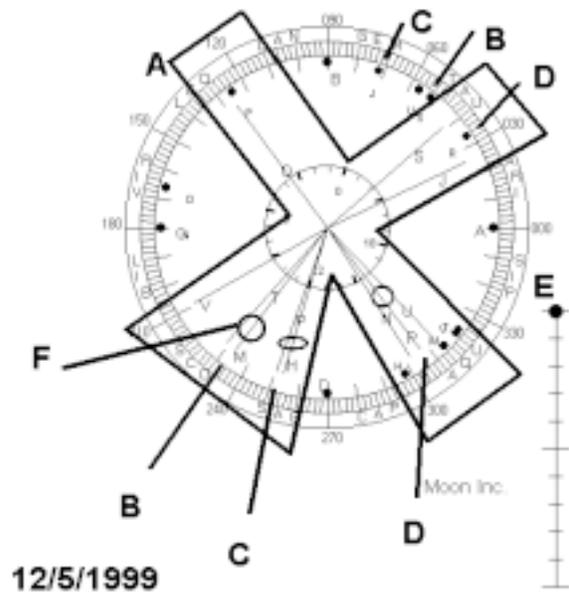
The good news is that I didn't and I have recovered fully. But such incidents are always fascinating to study in the same way that we study markets.

My bleeding stopped early in the morning of December 5th, 1999. The ephemeris wheel at the right shows what was happening. A shows the huge Grand Cross. Saturn is the planet of death. B shows that Mercury and the Moon were exactly opposing my natal Saturn. The Moon was at extreme inclination, shown at E. This made it very powerful.

My rising planet is Jupiter. It represents me (life). C shows that it was being opposed by the Sun conjoining Pluto.

My natal Sun is on the southeast leg of the Grand Cross. It was being opposed by the Node (soul) and conjoining Neptune and Mars.

Mars is the bad boy in my natal chart. It is square my natal Sun, Mercury, Venus, and Pluto (my life axis). Difficulties in my life can usually be traced to Mars. In this chart current Mars is square my natal Mars (shown at D). My natal Mars is on the midpoint between Saturn (death) and Jupiter (life). Maybe that's why I had this "midway between life and death" incident.

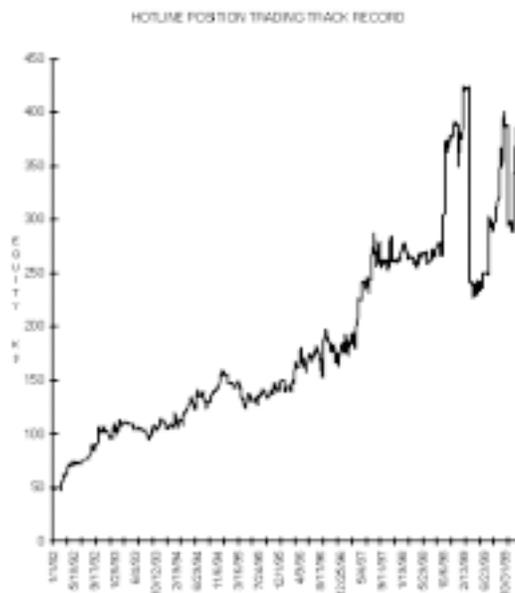


QUALITY IMPROVEMENT

Most of my efforts in quality improvement in December were trying to improve the quality in my life. Thanks to a lot of rest, TLC, and good wishes from many of you, I managed to improve considerably by the New Year.

The New Year revealed that Y2K was a nonevent, as I have been saying it would be for some time. Sure, there were minor problems, but nothing major. My original view was based upon the simple knowledge that most computer programs never subtract dates. In particular, those running aircraft navigation systems, controlling power stations, and guiding missiles are usually not doing accounting. Boy, am I glad to get that fiasco out of the way.

The major quality improvement in our trading is not fully evident in our track record chart to the right, but it soon will be. We have developed a new forecasting method which is helping us immensely with our position trading. We are combining this forecast with our Face of God pattern, which tells us physically why the forecast may come true. We have more work to do on this combination, so stay tuned.



The stated result of trading one contract in all markets. The stated trading results in no way represent actual results. Future trading results may vary. Past success is no guarantee of future success.

PEOPLE AND HAPPENINGS

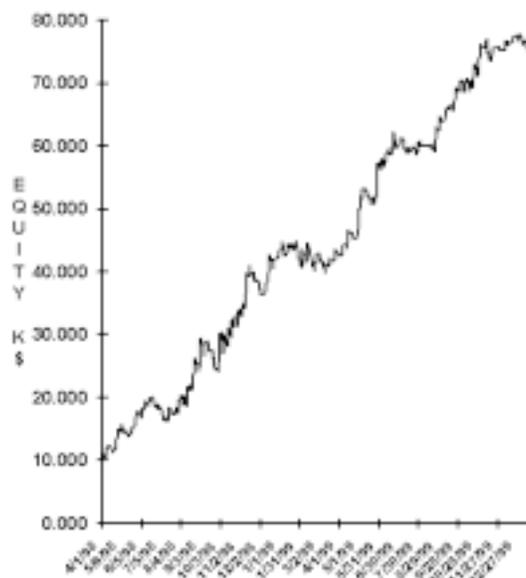
With the Holidays, this has been a fairly quiet month. I appreciate the phone calls and emails. Most of those were get well wishes and season greetings, but many were market related.

One of my special treats this month was to hear a talk by Adrienne Laris Toghraie, who gave a workshop on **Trading on Target** at the local MTA chapter meeting. I had read several of her articles on trading psychology. Adrienne is a Neural Linguistic Programmer who has worked with traders for many years. She has many good books and seminars. I recommend her book, **The Winning Edge 2**. You can contact her at (919) 851-8288. I think every trader needs to read it.

All for now. See you next month.

Hans

MOONTIDE ONE-A-DAY EQUITY



Trading One Contract (100 Shares) Daily in all markets. The stated trading results in no way represent actual results. Future trading results may vary. 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 number 1-900-776-7272. \$3 / minute for 2 to 4 minutes. Access from non-900 areas can be arranged by calling 303 224 4441.

JANUARY						
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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 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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