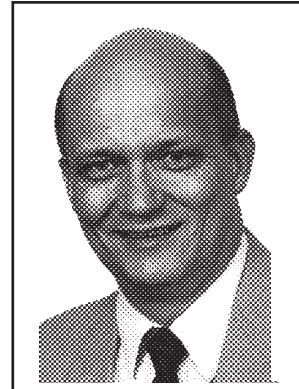
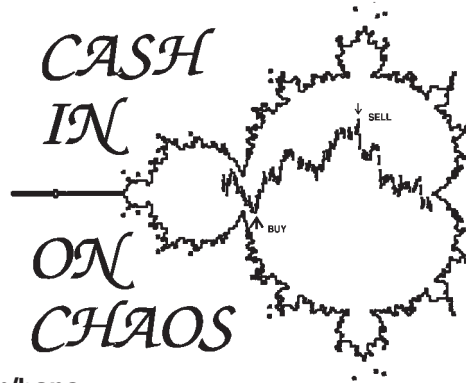


Yes,  
you  
can ....



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

CASH IN ON CHAOS NEWSLETTER - January 31, 2002-1

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

**Stocks decline in January, bad for the year. Tbonds correcting. IBM drops from top. Economy still struggling. Swiss Franc rally fizzles. Gold STILL trying to break out of the Mother of All Converging Triangles. Wheat rally pulls back, more ahead. World markets mixed. Annual forecast good so far. Solar stirring force on track. New online tool.**

### STOCKS

**Stocks sold off steadily in January.** January ended with a two day spike reversal low. However, we do not expect much follow through on this spurt of buying.

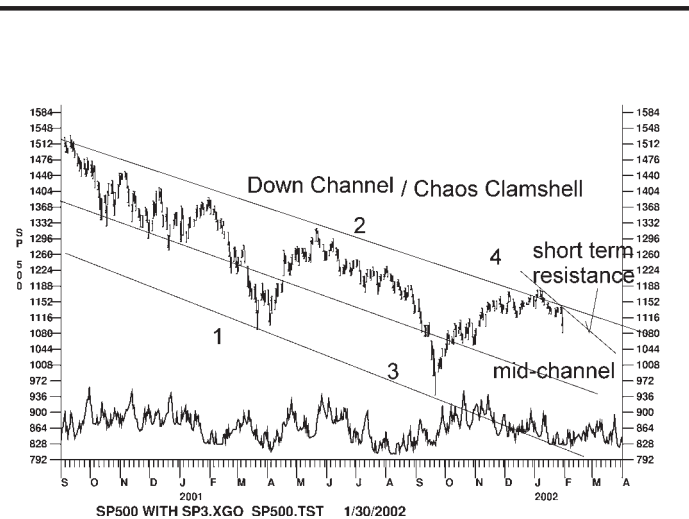
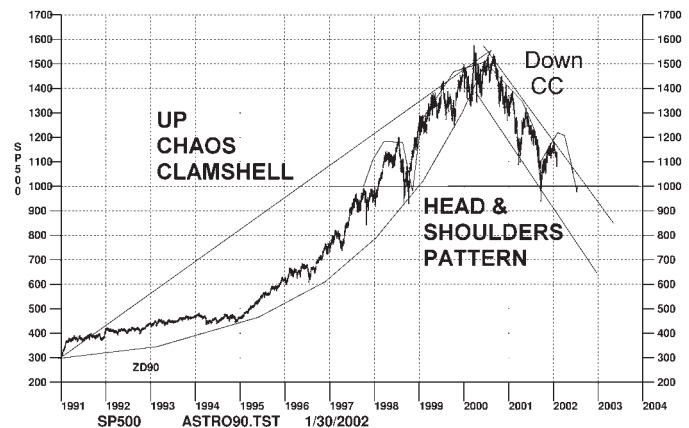
The long term chart shows that the US stock market is in the right shoulder of a head and shoulders pattern. This pattern has a neckline near 990 on the S&P 500. A decline to that point is probable by the end of April.

The near term chart shows a down channel in the S&P. The recent decline fell away from the top of the channel. As long as the market continues to trade below the top of the channel, the market is bearish.

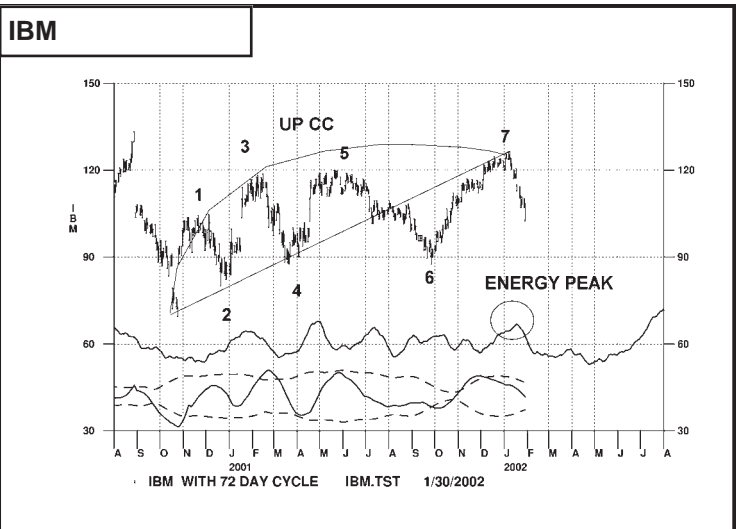
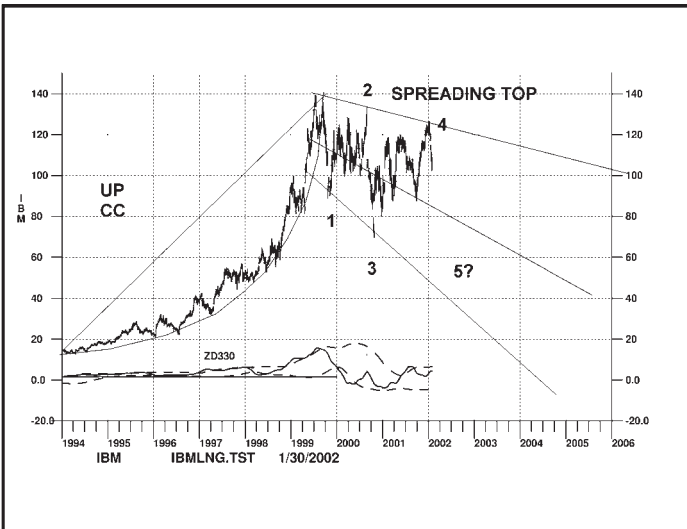
The US stock market continues to follow the Mania Market Nikkei analog. That forecast also says that prices in the S&P will probably decline to 990 by midyear.

The full extent of the slowdown in the economy has not yet been felt. Near the end of the 1st quarter we expect a rash of earnings disappointments. These will probably trigger more selling.

Sometime this year, there will be some good bargains in individual stocks. So this is the time to be out of the market, but shopping for bargains.



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 dropped sharply from its topping pattern.** Longer term this is not good for IBM.

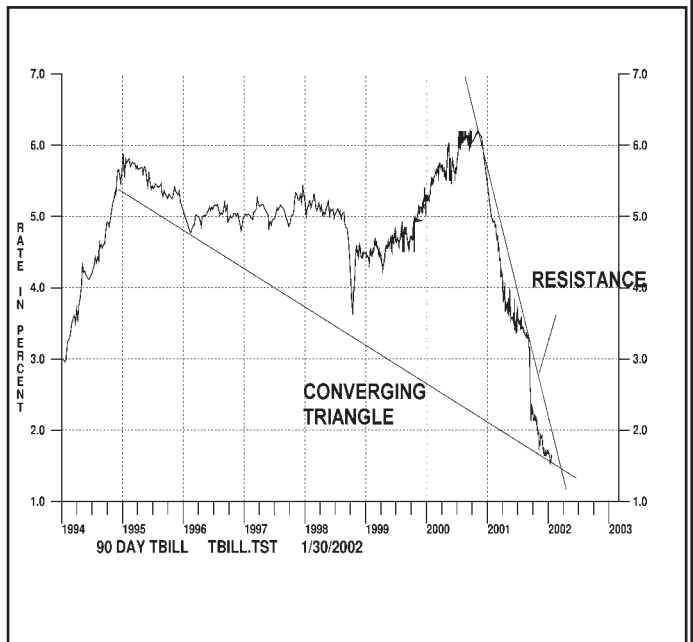
The long term chart shows a broadening top pattern, attached to the end of an up Chaos Clamshell. The broadening top pattern typically has five moves. The 5th move is often a violent decline to the midpoint or the bottom of the “megaphone.”

The near term chart shows the up Chaos Clamshell that ended the topping pattern.

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**

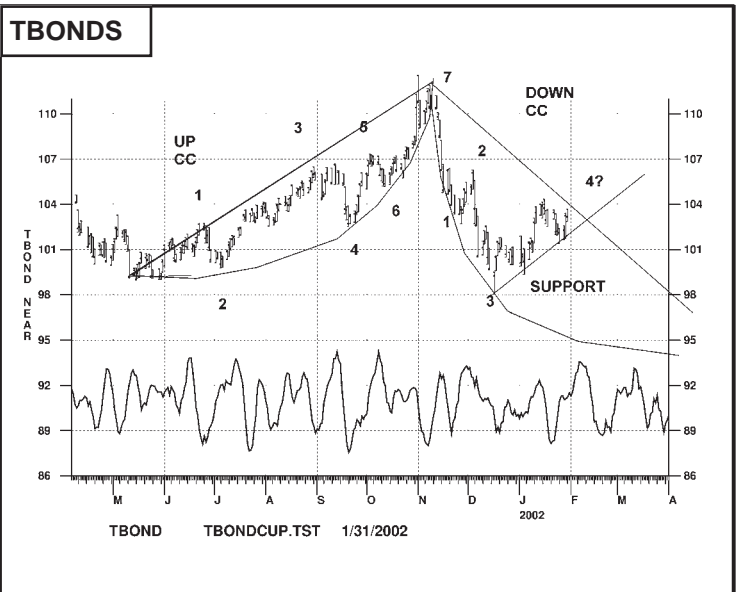
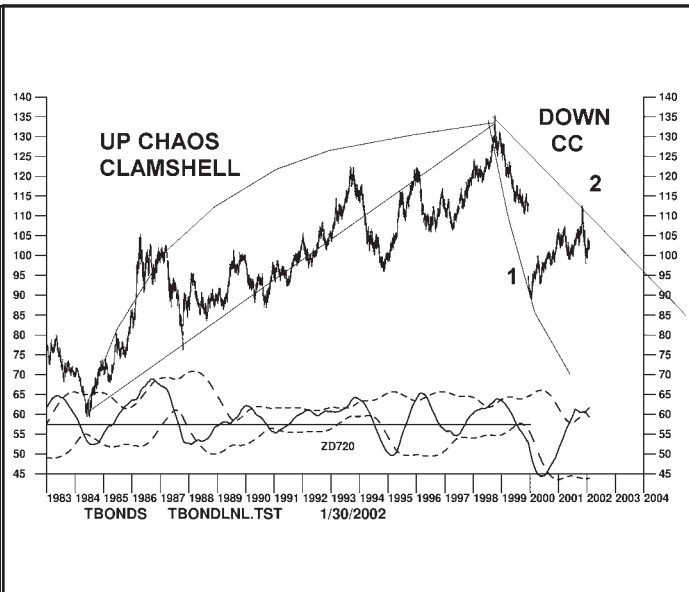
**The economy is now between a rock and a hard place.** Companies continue to report large losses, and shed jobs. The Enron collapse has sent shock waves not only through the business community, but through the investment community and politics as well. People have suffered a loss of faith in the business system, the political system, and the investment system. People are stunned that a company would not only mislead employees but refuse to let them withdraw their own money from their 401K plans. If you can't trust the company you work for, who can you trust? Then there are the auditors who were supposed to be watching the company to protect the public. They clearly failed. If you can't trust the auditors, who can you trust? Then there are all the investment houses that advised people to buy Enron stock. Even when it became clear that Enron insiders were selling like crazy, did any of those investment houses tell people to get rid of their Enron stock? If you can't trust your investment advisor, who can you trust? And somewhere in this complex organization we call a country, there are supposed to be government regulators and oversight committees on the lookout for these sorts of things. They clearly failed at their duties. If you can't trust the government, who can you trust?



My point is this: Money is simply trust. You take a piece of colored paper as something of value only because you trust that you can trade it for a loaf of bread in the future. When trust is lost, hope is lost, and the future is in doubt. That is where we are now. And the Federal Reserve has fired almost all of the bullets it has. So do not look for a quick fix to the recession.

**Small opportunities are often the beginning of great enterprises.**

Demosthenes

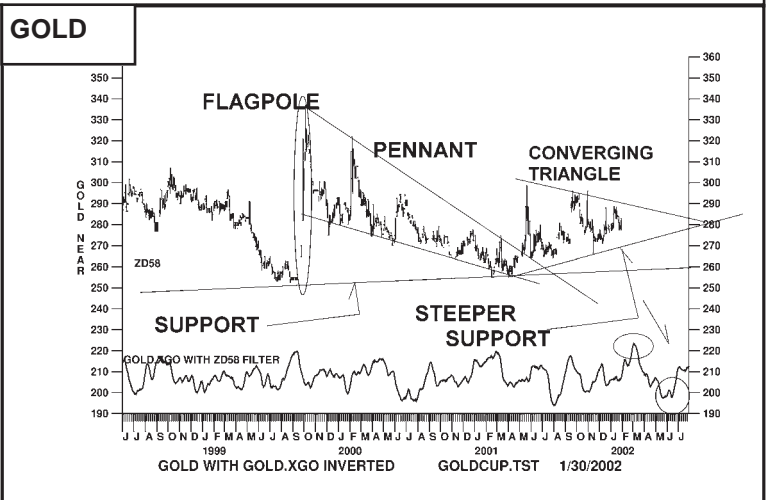
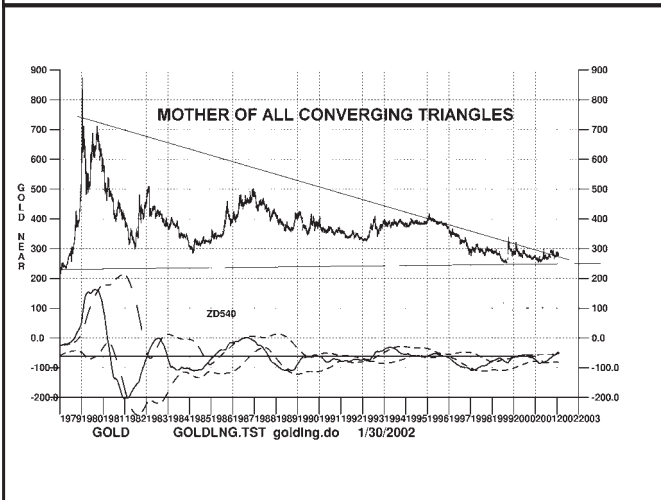


**Tbonds are in a long term decline.** The long term chart shows 2 moves out of the 7 in a down Chaos Clamshell.

The near term chart shows the up Chaos Clamshell, which was move 2 of the larger pattern. It also shows the new down CC. Within that smaller pattern, prices are in a move 4 rally. This rally has a clear support line. Traders should sell any break below that support line.

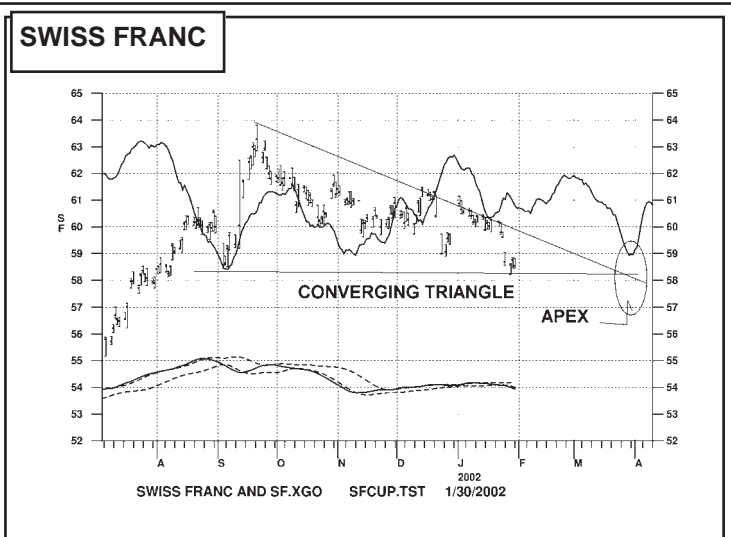
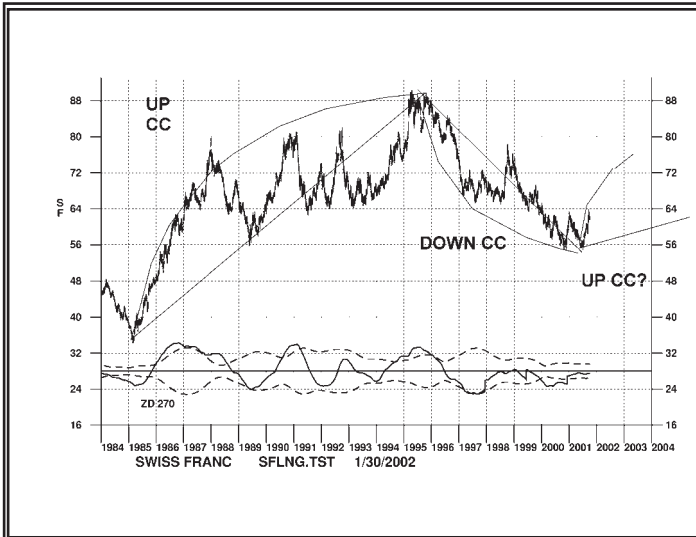
**Adversity reveals genius,  
prosperity conceals it.**

Horace



**Gold has tried to rally, but has not gained any momentum.** The long term chart shows that gold is STILL trying to break out of the Mother of all converging triangles.

The near term chart shows that there is hope that this will happen. Gold has made higher lows recently, indicating a shift from a gradually sloping support line to a steeper support line. Significantly, prices are still holding above the low of the pennant part of the flagpole and pennant pattern. Prices are now trapped in a small converging triangle. The energy curve shows that it may end in June. Traders should have a buy stop above the triangle, near 290.

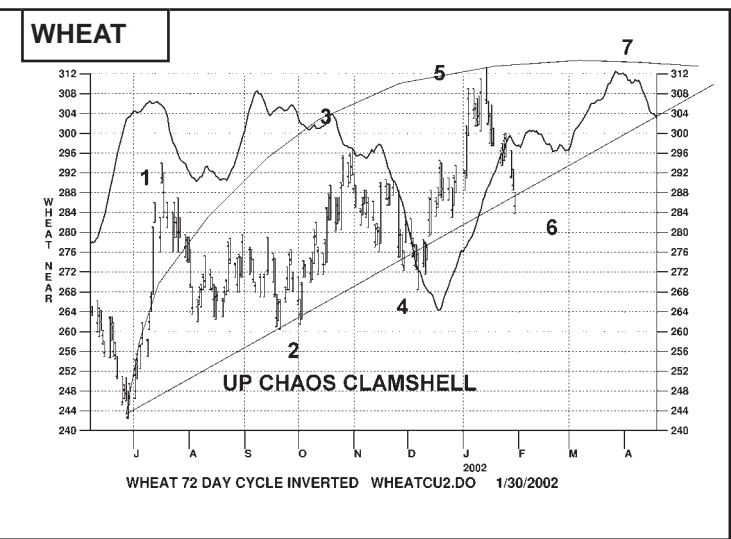
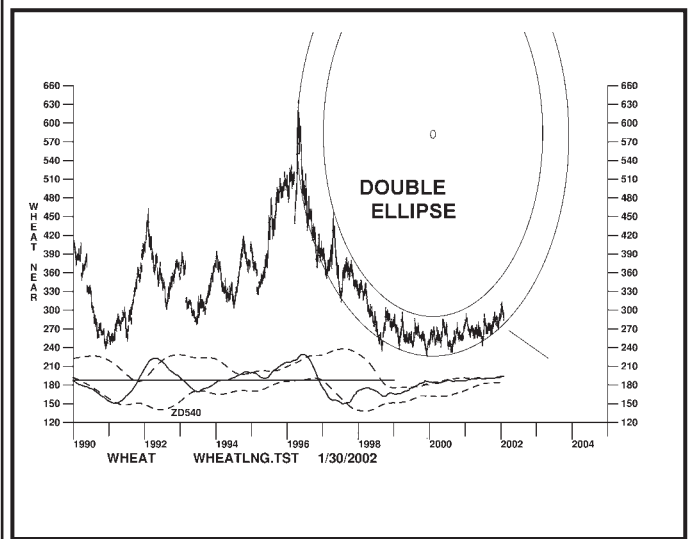


**The Swiss Franc stalled in its rally attempt and is now moving sideways in a congestion pattern.** The long term chart shows two clear Chaos Clamshells. It also shows what looks to be the start of a new up Chaos Clamshell.

The near term chart shows that the first rally in that CC is complete. Prices are now winding their way through a converging triangle. That triangle has an apex at the end of March. The energy curve shows a rally from that point. The outlook for February is for a modest rally. The outlook for March is for a decline. Unless the bottom of the converging triangle is broken, that decline may be insignificant.

**Luck is what happens when preparation meets opportunity.**

Elmer Letterman

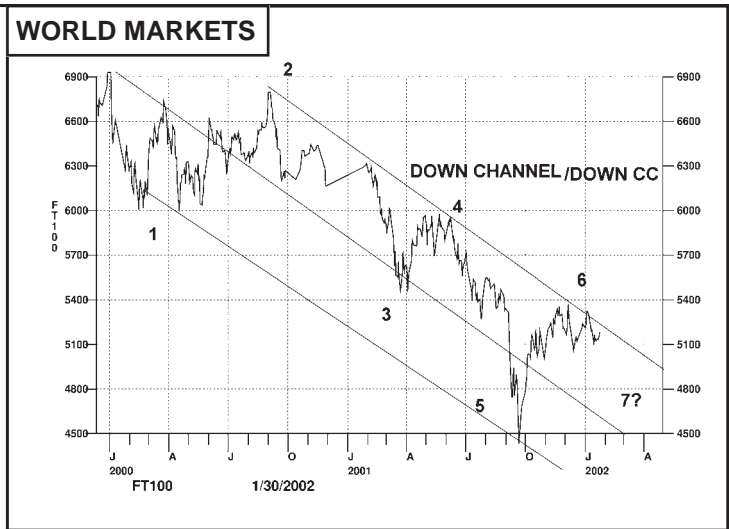
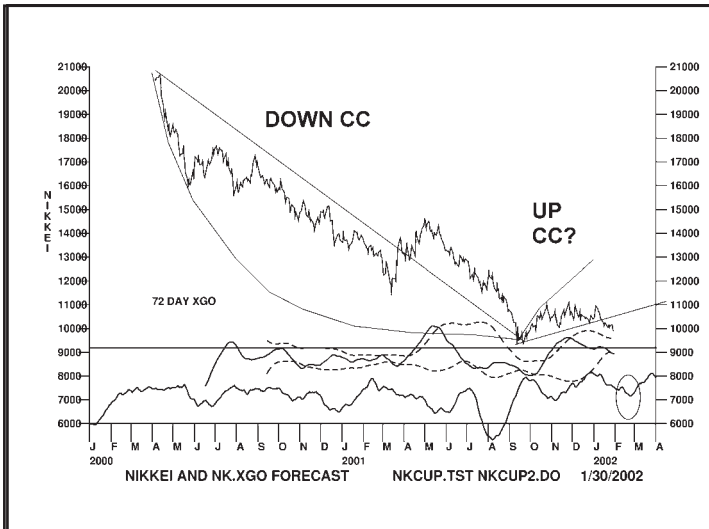


**Wheat did rally as forecast.** It is now in a pullback, setting up for more rally. The long term chart shows that wheat is still in a double ellipse channel. Wheat must rally in the next few months to avoid breaking out of that channel.

The near term chart shows the current up Chaos Clamshell in wheat. The current pullback looks to be move 6 out of 7. So the rally looks like it is about to resume.

The dry winter weather may well lead to drought conditions this summer in the wheat belt. That would provide a physical reason for prices to stay within the double ellipse.

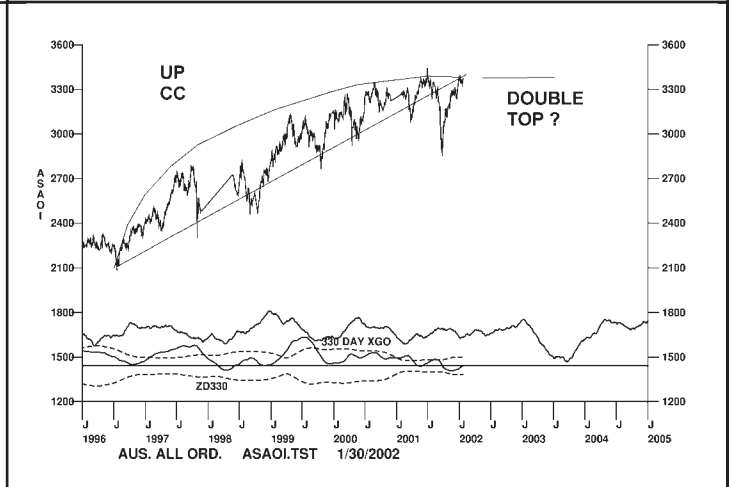
George Bayer wrote about trading wheat using Mercury, Saturn and Jupiter. You can learn to find astrocycles with the aid of the **Trader's Ephemeris** and the **Finding Astrocycles** video-**JUST \$100.**



The Japanese market has not shown any real strength in its rally attempt. The energy curve shows a low near the end of February, and a rally in March.

The British market remains in its down channel and looks to be set up for a further decline.

The Australian market has rallied to test the top of its up Chaos Clamshell. It is possibly making a double top in that market.



**CHAOS CLASSROOM**

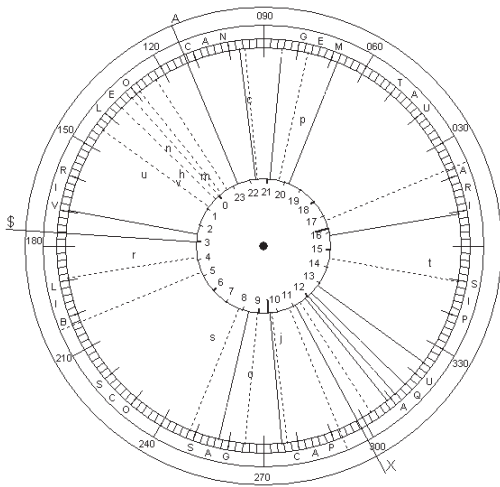
This chart shows one of the new pages from our [daytradingforecast.com](http://daytradingforecast.com) website. That website is a special site for subscribers to our hotline. It provides updated charts of our forecast throughout the trading day.

It also provides a unique chart, called the S&P Wheel of Fortune. That chart is shown here. It shows the geocentric positions of the planets, of price, and of the exchange. It shows the relationship between price and the planets, both graphically and numerically. The table shows the key aspects between price and the planets. In this chart price is 135 degrees to the sun. The number 8 indicates that this aspect is a member of the 8th harmonic.

Hotline subscribers can view this chart updated every 2 minutes on our new website. It is a very useful tool for traders.

You may sample our new site on Fridays, during the Chaos Clinic.

S&P MINI Dr. Al Larson's Chaos Trader Web Daytradingforecasts.com



Price= 1115.25 at 176 degrees.  
Exchange at 298 degrees.  
X to \$ = 237.88 3

	\$ to	X to
M	302.90	126.65
V	315.74	139.49
H	311.62	135.37
R	009.25	193.00
J	096.98	280.73
S	068.10	251.85
U	324.09	147.84
N	308.61	132.36
P	256.95	080.70
T	169.69	353.44
O	084.74	268.49
C	275.39	099.14

A is the secret Angel of God point

Wheel of Fortune

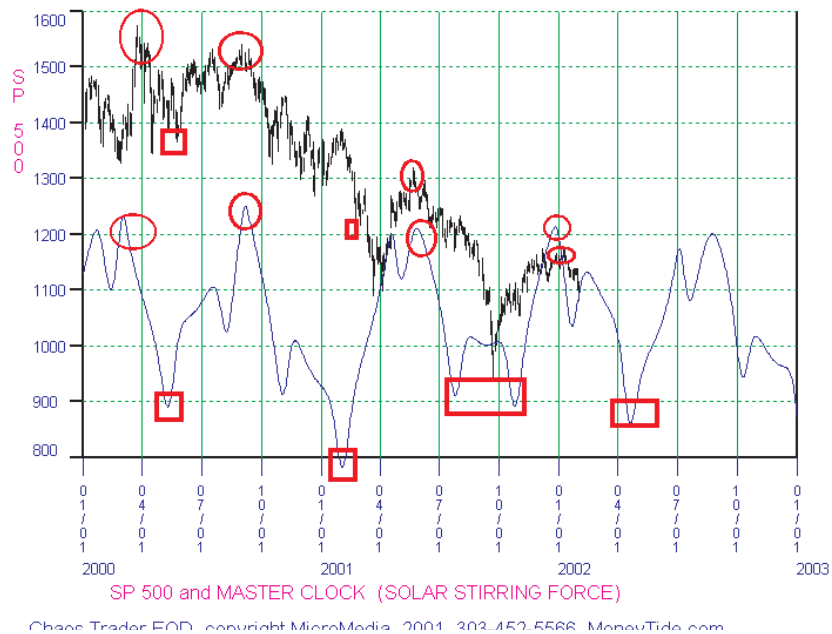
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## ASTROPHYSICS AND CHAOS THEORY

**This is another update on the solar stirring force.** That force is a calculation of the tidal forces set up on the sun by the planets. Those sun tides influence how much radiation the sun gives off. That in turn changes the amount of energy carried to earth on the solar wind. That affects the earth's electric field, which in turn affects the emotions of traders.

If this theory is valid, one should see the pattern of the solar stirring force in market prices. This chart has marked the highs in the solar stirring force and the S&P 500 with circles and the lows with boxes. The correlation is very good.

Significantly, the solar stirring force was calling for a high at the end of 2001. The last 6 weeks of 2001 was a trader's nightmare. Prices traded in a choppy, narrow range. But as 2002 began, prices tried to rally, failed, and dropped. That high was forecast by the solar stirring force, which I call the Master Clock.



**Doubt whom you will, but never yourself.**

Unknown

## ENERGY

**Our annual forecast is a filtered version of the S&P XGO energy.**

This chart shows an update of that forecast.

The forecast nailed January. We will have to see how it does in February. It is forecasting a modest rally. This could take more the form of a choppy market like we had in November.

Also on this chart I have shown the resistance line along the highs. This line is forming a 3x1 Gann line. It is moving at the rate of 20 S&P points per month.

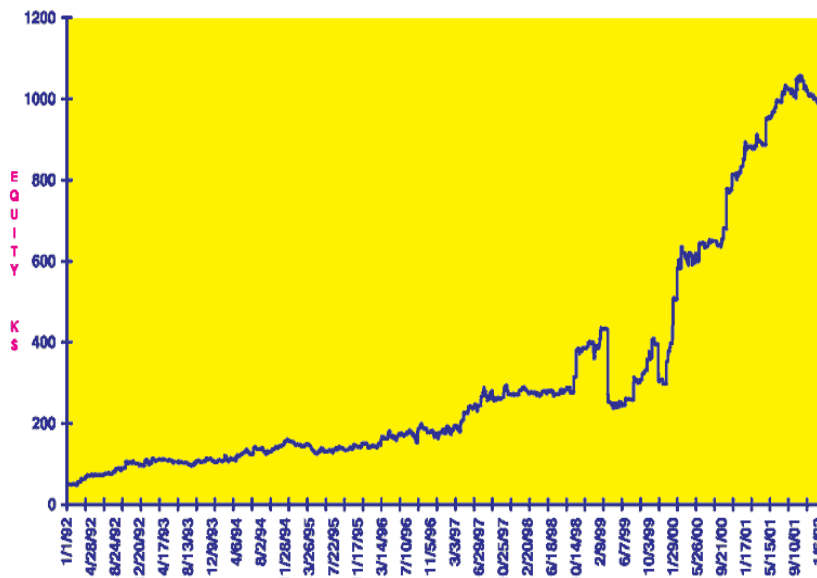


**QUALITY IMPROVEMENT**

This has been a very productive month in the quality department. Starting from scratch we have created a new website called [daytradingforecast.com](http://daytradingforecast.com). The purpose of this site is to improve our hotline service. We still use our MoonTides to forecast the S&P and send out a chart and recommendations by email every night. Our new site now provides hotline subscribers with a constantly updated set of charts showing how the market is tracking the forecast. Feedback from users has been very positive.

This site is now operational, and will be improved more over the coming months. It is just part of our program of always trying to improve what we do. Constant focus on improvement is the essence of quality.

**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.

**PEOPLE AND HAPPENINGS**

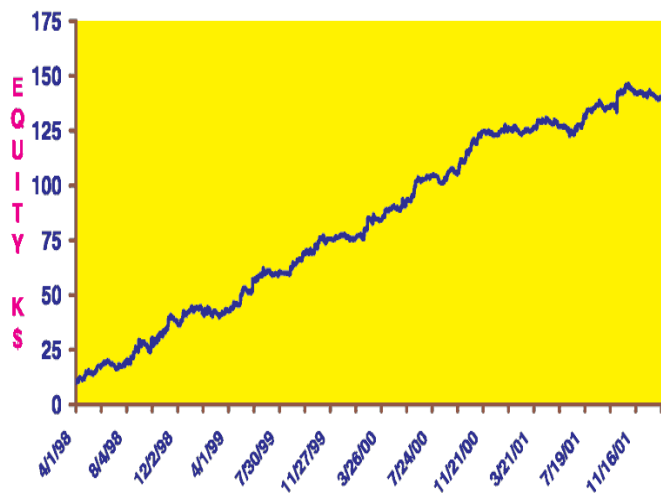
There will be a Chaos Institute Seminar February 21st. Two people have signed up and hopefully more will as well.

After a quiet holiday season, this has been a busy month with many phone calls, emails, and visits. I appreciate your interest in my work.

January 18th was a significant day. It was my 60th birthday. Sixty is one of the most harmonic numbers in markets. The circle of 360 degrees divides into 6 parts of 60 degrees each to form one of nature's most resonant energy systems. That is the energy pattern found in snowflakes, ice crystals, flowers, plant stems, and many other things. Approaching my birthday I was apprehensive about how I was going to come out of it. I came out of it with a huge burst of energy (a new website), an optimistic outlook, and gratefulness for my good health.

That's all for now. See you next month.

**MOONTIDE ONE-A-DAY EQUITY**



Trading One Contract, \$50 Slip and Commission. 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 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>

## JANUARY

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

## FEBRUARY

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

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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Part 3. Take 26% off any order over \$600, excluding Hotlines, Jumbos, and other discounts.

Good until midnight on February 28,20002.