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FINANCIAL ASTROLOGY

MMA COMMENTS FOR THE WEEK BEGINNING October 9 - 2006

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Review and Preview:

It did it. After six years, the Dow Jones Industrial Average finally broke to a new all-time high last week. It exceeded the previous record high of 11,750 attained in January 2000, as it climbed to 11,870 on Thursday, right in the middle of a time band (October 4-14) containing three harmonious trine aspects to Neptune. Financial astrologers should not be surprised, for as stated last week, "This week finds Venus ingressing into Libra on Saturday, September 30, where it will remain through October 24. Venus rules Libra, so one would think this is a positive for equities. At the same time, we look for an important low to form in the precious metals (especially Silver) during this period. From October 4 through October 14, Mars, Sun, and Venus all form a trine aspect to Neptune. This is likely to affect crude oil prices, and possibly interest-rate sensitive markets too. It may (also) be a good time to experience infatuation." Investors were certainly infatuated with stocks last week. But both Gold and Crude Oil fell to a new multimonth lows, all consistent with our Financial Astrology comments.

In Europe, the Swiss Stock Index also soared to a new all-time high, hitting 8530 on Friday. The Netherlands AEX soared to 488.30, its highest level since May 2002. However, neither the German DAX nor London FTSE could take out their highs of last spring, still exhibiting a case of intermarket bearish divergence, which casts a cloud over the sustainability of last week's rally.

In the Pacific Rim, the Hang Seng of Hong Kong was the stellar performer again, testing the 18,000 level for the first time since July 2000. Both the Australian All Ordinaries Index and Japan's Nikkei Index traded to new multiweek highs too, but neither exceeded their highs of last spring, when Jupiter and Uranus formed their waning trine.

In the Americas, the DJIA soared to a new record level, as stated earlier. But both the S&P and NASDAQ remain well off their all-times highs of early 2000. The same was true of Brazil's Bovespa Index. They Composite and Bovespa both rallied smartly, but not above their highs of last April and May. In Argentina, the Merval Index was much less impressive, trading in a rather narrow range in the mid 1600's, well below their all-time highs above 1950 recorded last April. Thus we see continuing signs of intermarket bearish divergence all over the world. This is troublesome, because most of these indices are now showing signs of being overbought on their weekly momentum studies. This all suggests that a rather sizeable decline is likely to start within the next month.

The opposite of course may true with respect to precious metals and crude oil. Look for these commodities to achieve their lows nearby to the time of the Jupiter-Saturn square coming up shortly. But both Corn and Wheat continue their spectacular climb as indicated previously in this column. Corn rose above \$2.70/bushel for the first time in 2 years, while Wheat skyrocketed to \$4.87/bu, its highest mark in ten years!

Short-Term Geocosmics:

Heliocentric Mercury now leaves Sagittarius and enters Capricorn (October 6-16), which might start reducing the amplitude of price swings seen recently in the precious metals. But the real story in the heavens begins in the last week of October. That is when the Sun, Venus, and Mars will all conjoin one another and ingress into Scorpio within 24 hours of one another (October 23-24). The next day (October 25), Jupiter will make the third and final passage of its 20year waxing square to Saturn. And this will be followed by both Mercury and Neptune changing directions. Mercury goes retrograde October 28, and Neptune turns direct October 29. None of these signatures seem as benign and friendly as the "three trines to Neptune" period that we enjoy right now (October 4-14). In the eyes of this Financial Astrologer, the psychological shift of the investment community (nay, the world) could be quite dramatic, from the pleasantness of Venus in its ruling sign of Libra in trine to Neptune, followed by all of this movement into Scorpio, with both Mercury and Jupiter in a more challenging square aspect to Saturn. The current time seems to be "floating on air." It's still "irrational exuberance." The later part of the month however may seem more like "colliding with a wall." It may be more of "irrational fears." The Sun conjunct Mars part of this set up (October 23) has a very high correlation to 10% or greater reversals in U.S. stocks within 10 degrees (approximately three weeks), as reported in The Ultimate Book on Stock Market Timing Volume 3: Geocosmic Correlations to Trading Cycles. We are entering that time band now, and obviously stocks are making new highs. This signature implies that traders should be preparing for a substantial decline shortly. I wonder what that says about the mid-term national elections in the U.S.A.?

Long-Term Thoughts:

The Saturn-Neptune opposition was very much on display again this past week, especially in the United States with yet another scandal in the Republican Congressional leadership. This time it is a sex scandal involving Florida Rep. Mark Foley's inappropriate advances to a male page. This spells bad news for the President and all congressional Republicans seeking re-election. As headlined in Wednesday's Wall Street Journal, "REPUBLICANS HAVE good reason to fear fallout on Foley, a poll found." Bush's "approval ratings sank back to 39%." This does not bode well for Republicans holding onto their majority in both the House and Senate. And as pointed in out previously in this column, victory by Democrats could spell huge problems for Mr. Bush in his last two years. The Saturn-Neptune opposition implies - to me - that this election is essentially a

referendum by the American voters on whether or not to impeach the President.

But that is not all. Let's imagine for a moment that the Democrats do gain control of the House in this mid-term election. If that happens, then New York City Representative Charlie Rangel will become chair of the powerful Ways and Means Committee, which sets for the agenda for taxes for this country. Congressman Rangel is very candid that he favors raising taxes - and not just for the wealthy. According to the Tuesday edition of *The Wall Street Journal*, when "...asked by Congress Daily whether he's consider tax increases across the income spectrum (he replied) "No question about it. Everything has to be on the table."" What???? Here are the Democrats, fighting to regain power, and on the one single issue that historically leads to defeat, a prominent member of their party voices support for raising taxes. Is it any wonder that recent polls have shown a huge majority of U.S. citizens are disgusted with not just the President, but even more so with Congress? And the emotion of "disgust" is a classical interpretation of the public mood under Saturn-Neptune in any hard aspect.

Yet this illustrates a valuable lesson taught by Financial Astrology too. As reported several times in this column, we are now in the downside of the Saturn-Pluto cycle (2001-2020), from its opposition to conjunction. This is historically a period when federal deficits increase, interest rates increase, and so do taxes, and all of these eventually choke growth in the economy. We have already seen the first two unfold rapidly since 2001. Only taxes have remained low, much to the credit of the Republican leadership, and that - more than anything - explains the strength underlying this current economic expansion over the past three years. But if Republicans lose the House, as some polls now suggest, this trend of lowering taxes is likely to reverse (given Rangel's statements), thus setting the stage for the down phase of the Saturn-Pluto cycle to kick in fiercely. If the Democrats really want to win and really want to make a positive difference in the nature of this cycle, they need to make a party-wide mantra, something like "Read my lips. No new taxes." But wait! That promise was already used by another President Bush in the 1988 campaign - and then broken in 1990, when Saturn and Neptune also formed a hard aspect!

Financial astrology: it's just hard to beat when trying to understand the crazy times we live in.

Announcements:

LAST CHANCE to order special pre-publications discounts on forthcoming books!

The pre-publication discount period for the Forecasts for 2007 Book ends October 15. The actual release date of this year's book will be December 15, same as always. But every year we have a special pre-publication discount price, approximately 10-15% below the normal sales price, which expires two months before publication. So order now and save "big bucks." For more information.

The newly revised The Sun, The Moon, and Silver Book: Secrets of a Silver Trader, is also now completed and with the editor, being readied for publication in the next few weeks. This book will retail for \$125.00, but is available at the pre-publication discount price of \$95.00 for those who order before October 15. For ordering either of these two books.

The "MMA Financial Market Timing" course will take place October 14 - 15 at the beautiful Pointe Hilton Tapatio Cliffs Resort in Phoenix, Arizona!. The Hilton's direct line for reservations is 1-800-876-4683 or 1-602-870-2722. At this seminar, attendees will learn the MMA method of market timing and how to project future prices and critical reversal dates in financial markets, with emphasis upon the U.S. stock market, Gold and Silver, and the coming bull market in Corn. **Seminar Fee**: The cost of this 2-day, 14 hours, MMA Market Timing Seminar is \$1995.00, but only \$1500.00 if registered prior to Monday. **Registration**: You may register for this MMA Market Timing Seminar via credit card by calling 1-800-662-3349 or 1-248-626-3034, or faxing registration to 1-

248-538-5296. You may also register via e-mail at <u>ordersmma@msn.com</u>, or by website at <u>www.mmacycles.com</u>, or by sending check or money order in US funds to MMA, P.O. Box 250012, W. Bloomfield, MI 48325 U.S.A. For further information, <u>have a look</u>

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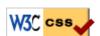
The next "MMA Cycles Report" and "MMA Japan Markets Cycles Report" will come out this Monday-Tuesday. These reports come out every three weeks to subscribers of these reports. The "MMA Cycles Report" (Monday night by email) is our market advisory report for traders of the U.S. stock indices, T-Notes, Gold, Silver, Euro, Swiss Franc, Grains, and Crude Oil. The "MMA Japan Cycles Report" covers the Nikkei, Dollar/Yen, and JGB Bonds, and comes out Tuesday afternoon. For more information and subscription, please go to http://www.mmacycles.com/services.htm.

I have had several calls regarding a "crisis investing" portfolio that I suggested could be developed with the help of a money manager who subscribes to my reports, and shares my views about the next few years. If you are interested, you can contact him at ted.fisher@comcast.net. He will be more than happy to assist you.

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