FINANCIAL - POLITICAL UPDATE AUGUST 2011

Okay, the stock market is plunging, confidence is in short supply, and the world is holding its collective breath. What will happen in the markets this week is the question. I believe we will see serious volatility, always a trader's dream. But whiplash can be sudden and severe, so don't look for tops and bottoms, take a piece and go have lunch. There will be huge swings in the markets. Monday we have Mercury in opposition to Neptune, Tuesday we have Mars square Uranus, Thursday Mars opposite Pluto, and Saturday we have the Aquarius Full Moon. Holy crap, Batman! All of this points to a serious drop by week's end. After the Full Moon we may see a settling down.

In my recent newsletter I said that I expected the markets to stabilize this month. I still do. But it will take some time. The news of the recent credit dip will be digested and a bottom will be found. We are awash in insecurity and instability throughout the society. And it will continue for a long time. So redirect your energies and enjoy your life. That way, you can't lose.

The Uranus – Pluto square that I have been writing about for the past year or so is upon us. Although this square does not actually complete for the first time until June 2012, we are seeing the effects of its close proximity now. Pluto is at 5 degrees, in exact opposition to America's Jupiter, ruler of the ascendant. Uranus is at 4 degrees and will complete the square to America's Jupiter from March 2012 – January 2013.

When Pluto opposes the ruler of the ascendant in any chart it represents a time of power struggles and stress upon the entity. There is often physical and psychological tension that can manifest in any number of ways, including financially. Pluto has much to do with resources, especially those held jointly by the collective. The ascendant and its ruler represent the physical being as well as the presentation of the entity to the outside world. What we are seeing here with our credit rating being lowered for the first time in our history is very much the result of this opposition. Enemies, both open and hidden, will respond to a Pluto aspect with great fervor, especially an opposition, which is always worked out through others.

Add the energy of Uranus in square to that ruler and we have the potential for sudden and explosive reactions. When Uranus squares the ruler of the ascendant there is a great chance

of violent and unexpected results. This can also manifest in a number of ways, including physical violence, accidental explosions, or a financial meltdown.

The difference between a meltdown and a crash is whether or not Saturn is directly involved in the equation. Because **America is going through it's every 29 year Saturn return**, this may be sufficient Saturn energy to collapse this market. I still think we can put in a bottom and move sideways for the remainder of the year, but I wouldn't be terribly surprised if the markets just crap out this week and put us back into recession.

The truth is that we are in a depression, during which there will be several recessions over the next 10 – 15 years. This period is reflecting the era following the last Saturn – Uranus opposition from 1965-67. After that aspect it took 16 years, until 1982, before the markets began a new bull run. During that 16 year period we saw the markets attempt to make new highs at least 3 times, only to collapse after each effort. I have a YouTube from several years ago where I discuss Saturn's role in the markets.

But that era did not begin with a crash as severe as the 2008-09 double whammy, but rather a meltdown. While the underbelly (Saturn) was decayed and unstable (Uranus), Wall Street had not yet grabbed its choke hold on the financial markets, and there was less risk, therefore less loss of equity, especially in the housing market.

On each pass of the Pluto – Uranus square there will be great stress throughout the world. Political situations will become even more explosive, the financial markets and jointly held resources will continue to be unstable and teeter on the edge of collapse. Last year I was on TV and made a few predictions that the producers must have felt were too disturbing so they cut them from the broadcast. One was that with Uranus, ruler of explosive situations, coming up to the square to Pluto, ruler of plutonium, we would see several nuclear incidences before this played out. A few months later Japan had its catastrophic accident, seeping untold tons of nuclear waste into the water and food supplies of that country. We will see several other "incidences" involving nuclear material. At least one will probably occur in the U.S. There is no way Uranus and Pluto can continue to afflict the ruler of our chart without some physical release. That release will be seen in the reaction of the populace to what is happening. It takes a lot to get Americans off their collective asses, and this time I believe we will see it. I expect Pluto, and its oppressive mentality, to be pushed by Uranus' need for freedom and stir up serious, even violent reactions.

Neptune is retrograding back to within a degree of America's Moon, ruler of the 8th

house of jointly held resources. This transit can be extremely confusing and debilitating to an individual, a company, or a country. There is little clarity and a great deal of fear. Since the markets run on psychology more than fundamentals, I expect that fear to result in a serious dip before Neptune enters Pisces for good in February 2012. Because the Moon rules the 8th house in America's rectified chart, it is in the area of jointly held resources and interaction with the world financial markets that we are seeing the worst situations. Lowering our credit in the international community is a result of Neptunian fear and confusion. The 8th house has much to do with the negotiations that are being hammered out and shoved down our collective throats by a dysfunctional government. The mixture of Pluto, Uranus, and Neptune is more than any entity could handle without making some serious changes and decisions.

Before the 2008 crash I gave a series of lectures and wrote about the history of the stock markets. Saturn was in opposition to Uranus in the opposite signs they were in when they opposed each other in 1965-7. This aspect fell exactly on the NYSE Mars, ruler of the 10th house of career and worldly status, which is one reason I successfully predicted the 2008 crash within a matter of days. As I said above, following that opposition in 1967, it took the market 16 years, until 1982, to begin a bull market again. We are in a similar period now, and it will take at least a decade or longer before we have stabilized.

In 2012 Saturn will cross NYSE's Jupiter and Neptune and oppose Saturn in the chart, continuing an extended bear market. This represents more world wide slowdown and limitation to resources. There will be further problems with our food supply, due to the droughts and other climate changes. There should be upward movement when Jupiter crosses the NYSE Venus in late October 2011, and February 2012. But these will be temporary and not sufficient to offset the difficult transits we are facing. When Jupiter crosses the Mercury – Sun conjunct in May 2012 normally I would expect to see expansion, but Saturn will be conjunct Jupiter through July, and should prevent any real growth.

Saturn is conjunct America's Saturn, or in other words, we are going through our Saturn return. This is a moment of great reckoning when our stability and structure is being tested to see how well it can sustain growth. Just like an individual, a nation will see Saturn prod and poke to find weaknesses in the system. Saturn rules housing and banking, and both are tenuous at best. There will not be any real relief in the housing market for at least another year.

Saturn is also in square to America's 8th house Sun, and as would be expected, our relationships with all 8th house issues are coming up. Our trading partners have lost faith in us, and our government is pretty much useless at this point. For the first time in history our credit rating has been lowered. This is a monumental occasion. No government has ever allowed this to happen.

Standard and Poors have been held accountable, at least in the court of public opinion, for giving the sub-prime mortgages that brought our economy to the brink of collapse, excellent ratings. Has it occurred to anyone that their actions may simply be Pluto vengeance? And that by deciding to reduce our credit rating while the other two do not, is petulant and spiteful? Just a thought.