



Sand Spring Advisors LLC

The Importance of April 16-19, 2009

by,

Barclay T. Leib

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We have received many enquiries lately as to the coming pi cycle date window of April 16-19, 2009 and its potential portent. This mid-April period represents a 2.15-year quarter pi-cycle turn from the more important major pi cycle back on February 24, 2007 which marked the historic tights in credit spreads. But April 16-19, 2009 also is related back to the Crash of 1987 -- April 18-19, 2009 being exactly $2.5 * \pi * 1000$ days removed from that fateful "Black Monday" of October 19, 1987.

As was recently pointed out to us by a Sandspring.com reader (who in turn was reviewing the pages of a publication called www.insiidetrack.com), April 16-19th (and particularly April 19th) tends to be a time of violent change in many years – sometimes war, sometimes earthquakes, and sometimes other types of violence or sudden economic change. Just note:

April 19, 1775: first shot of the Revolutionary War

April 24, 1846: Thornton Affair, first shot of the Mexican-American War

April 19, 1861: Baltimore Riot of 1861; first shot of the Civil War

April 19/20, 1898: Congressional Resolution initiating the Spanish/American War

April 19, 1933: Date FDR took America off the Gold Standard

April 19, 1961: Bay of Pigs Invasion fails

April 21-30, 1975: Fall of Saigon; End of the Vietnam War

April 18, 1983: U.S. Embassy bombing in Lebanon

April 18, 1988: Operation Praying Mantis in Persian Gulf between US and Iran – the largest battle of surface warships since World War II.

April 19, 1993: Waco-Branch Davidian debacle

April 19, 1995: Oklahoma City bombing

April 20, 1999: Columbine Massacre

April 16, 2007: Virginia Tech shootings

Elsewhere, as also pointed out within www.insiidetrack.com:

“Mohammed – the father of Islam – was born on April 20, 570. Adolph Hitler was born on April 20, 1889. The Great Arab Revolt began on April 19, 1936, while the Warsaw Ghetto Uprising began on April 19, 1943. Nasser seized control of Egypt on April 18, 1954...

“April 19, 1971 was also the ‘first shot’ in the race to build a space station – a modern day Tower of Babel – with the launching of Salyut 1....

“And April 18th is of course the anniversary of one of the biggest U.S. earthquakes of the 20th Century – the 1906 San Francisco earthquake.”

Is all of this a coincidence? Or is the April 16-19th window simply one where the forces of revolt – both geo-political and sometimes geophysical -- are often felt?

In the current instance, a Summit of Americas Conference will culminate on April 19, 2009, and Venezuela's Hugo Chavez is already setting the stage for a major face-off with President Obama. Could Chavez threaten something with regard to U.S. oil supplies to finally create a more lasting reversal higher in energy prices, while broader equity markets become unnerved? This might be our first choice to expect. Major problems out of Pakistan, Iran, or North Korea might be other potential hot spots to keep an eye on.

As for the astro aspects of this period, Arch Crawford writes of April 15-16: “Extreme hostilities – Explosive – Unforgiving mindset...resists compromise.”

At the same time, we also already have volcanoes rumbling along the Western coast of both North and South America, as well as recent earthquake tremors in Santa Barbara and San Jose. But if a major earthquake were to hit the West Coast of the U.S. anytime soon, we believe that this will fall on or around June 28, 2009 as this latter date (and not April 19, 2009) will represent an exact $12 * \pi * 1000$ day interval from the San Francisco earthquake of April 18, 1906, and the same approximate window of time will also represent an almost perfect $2 * \pi * 1000$ day interval from the swarm of earthquakes that struck southern California (Joshua Tree and Cape Mendocino) in late April 1992.

So is Sand Spring in the earthquake prediction business now? Not really, but we must point out that in November 2004 we did warn that something major would hit to hurt global equity markets on or about December 30-31, 2004. The December 26, 2004 Indian Ocean Tsunami certainly fit that forecast.

So in general, we are looking for something geo-political to go wrong in mid-April, and then something geo-physical to hit in late June to early July -- potentially supplementing America's overall angst. As we sit here writing these pages on this beautiful spring day in the Northeast, we wish we could infer otherwise, but the worst of the global economic turmoil is unlikely to have passed. Although stocks have fallen a long way, many are still priced for perfection – as if the current economic turmoil were just a normal correction. It is not.

Among individual equities and ETF with the greatest downside potential, let us start with the XLY Consumer Discretionary ETF. While the immediate path of this ETF is not entirely clear, there is a clear missing low in its fractal rhythm such that a price of 13.64 should still be seen with time. Will this low come this April, this June, or somewhere out in June 2011? It is hard to tell, but this is an ETF still to be played from the short side.



Another ETF we think has more left to the downside is the IYR Dow Jones Real Estate ETF – albeit here our view is more micro. Looking at the hourly chart below of the IYR, we spy what appears to be a missing low down at 19.10.



Casual dining pops up more than a few times with bearish potential in our perusal of individual chart patterns. Both Burger King (BKC) and Yum Brands (YUM) appear to sport missing lows. So too does Papa John's Pizza (PZZA).







In terms of the long side, we are suddenly distrustful of the recent rally in the energy sector, and would not be surprised to see the XLE fail in the near future at or below 49, and a missing low down near 36 still be reached. If such a latter level were to be approached however into our mid-April pi cycle window, we would be buying this sector aggressively at that that time – but not now!



We will of course be back with more thoughts as the April 16-19 window approaches.

As always, consult a Registered Investment Advisor before making any investment decisions. The opinions expressed above are simply our personal perspectives, and are not meant as specific investment advice.

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