



Sand Spring Advisors LLC

Not a Period to Slough Off

by,

Barclay T. Leib

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Readers of Sandspring.com know our emphasis on increments of π to mark potentially dramatic market turns. Our most recent April 12, 2010 addendum to our April 2, 2010 article provides a brief discussion of the current period in this regard.

What many readers may not know is our theory that to have a real market crash, three elements of global tension need to be concomitantly present: the first tension must be financial in orientation; a second tension is typically geo-physical in orientation; and a third tension is usually geo-political in orientation.

Look back at the Crash of 1987, for example.

It occurred on a Monday after a weekend filled with dollar policy tensions between then-Treasury Secretary James Baker and the German Bundesbank. This resulted in Sunday newspaper headlines to the effect: "Baker Tells Germany: Let the Dollar Fall." Check, financial tension.

In terms of geo-physical tension, the weekend of October 17-18th 1987 (extending into Monday, October 19th, 1987) saw the arrival of a freak massive hurricane in southern England. This kept the large majority of London's financial district's workers at home that Monday. Check, geo-physical tension.

Early in the morning on October 19, 1987, President Ronald Reagan called in reprisal attacks against Iranian oil platforms in a tit-for-tat response to a prior Iranian attack on the U.S.-flagged Kuwaiti tanker *Sea Isle City*. Check, geo-political tension.

We all know what happened to global financial markets on Monday, October 19, 1987.

Now flash forward to April 19, 2010.

Financial tension: Goldman Sachs is accused of fraud by the SEC in the sub-prime meltdown; Greece is on the ropes within the EMU; and China is under increasing pressure to revalue their renminbi. Check, financial tension.

Geo-physical tension: Europe is grounded by Icelandic volcanic ash plumes. Some may say that this is a passing irritation, but these folks should be aware that after Iceland's Laki volcano (right next to the volcano currently misbehaving) erupted in 1783, it continued for quite a period of time. Sunlight was reduced to Northern Europe, and crop production fell. This helped fuel famine -- which in turn, helped produce a geo-political environment ripe for the French Revolution. Check, geo-physical tension.

Now last but not least, we await some sort of geo-political tension. What scares the hell out of us is that Sunday, April 18th is exactly 3141 ($\pi * 1000$) days from the horrific events of September 11, 2001.

What is worse, as pointed out by various historians/analysts, not the least of which is market commentator Eric Hadik of www.insidetrack.com, is that the period between April 16-25 -- centered on April 19/20 (April 20th also being Hitler's birthday) -- has in the past tended to yield particularly nasty and war-prone events. The April 16-25th window in history has specifically marked:

- April 19, 1775: Start of Revolutionary War with Battle of Lexington and Concord
- April 21, 1876: Battle of San Jacinto/end of Texas Revolution
- April 19, 1861: Start of the Civil War as Lincoln orders blockade of Confederate ports, on the same day as Baltimore Riots results in 4 soldiers and 9 civilians killed
- April 25, 1845: Start of the Mexican-American War
- April 25, 1898: Start of the Spanish-American War
- April 19, 1904: Much of Toronto destroyed by fire.
- April 19, 1928: Japan invades Shantung in Northern China
- April 19, 1933: FDR abandoned the Gold Standard
- April 19, 1936: The Great Arab Revolt in Palestine
- April 19, 1941: Luftwaffe raids London killing 2300
- April 19, 1943: The Warsaw Ghetto Uprising
- April 16, 1947: French ship explodes in Texas City harbor, killing 522
- April 19, 1961: Failure of the Bay of Pigs Invasion
- April 20, 1975: President Thieu of Vietnam pressured to resign in final throws of Vietnam War
- April 18, 1983: US embassy bombing in Lebanon kills 63 people
- April 20, 1985: ATF raid on The Convent, The Sword, and the Arm of the Lord compound in northern Arkansas
- April 18-19, 1988: US-Iran warship battle "Operation Praying Mantis" transpires in Gulf -- largest such naval battle since WWII
- April 19, 1989: Explosion on USS Iowa, killing 47 sailors
- April 19, 1993: Waco/Branch Davidian debacle where 76 people die
- April 19, 1995: Oklahoma City Bombing that kills 168
- April 20, 1999: Columbine High School massacre
- April 16, 2007: Virginia Tech Massacre kills 32 people and injures 23 others.

Particularly given its pi relationship to 9-11-01, this Sunday and/or Monday could be another nasty moment in history -- and one where we will personally be avoiding the New York City subways for fear of any Al Qaeda surprise attack.

In the meantime, the sandspring.com website has been seriously hacked over the past few days, and is currently under repair. In the ten year history of www.Sandspring.com this is the first time that this has ever occurred. Does someone somewhere not want these thoughts on the web? While we usually avoid conspiracy theories, one fact remains: the timing of this recent cyber attack leaves this article distributed only to subscribers instead of being publically available.

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