

Tim W. Wood's

# Cycles News & Views

*Specializing in Dow Theory and Cycles Analysis*



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## Cycle Turn Indicator Direction and Swing Summary of Select Markets as of the close on May 3, 2024

| Market           | Daily CTI | Daily Swing | Weekly CTI | Weekly Swing |
|------------------|-----------|-------------|------------|--------------|
| Industrial       | Positive  | Low         | Negative   | Low          |
| Transports       | Positive  | Low         | Negative   | High         |
| NDX              | Positive  | Low         | Negative   | High         |
| S&P Inverse Fund | Negative  | N/A         | Negative   | High         |
| CRB Index        | Negative  | Low         | Negative   | High         |
| Gold             | Negative  | High        | Negative   | High         |
| XAU              | Negative  | Low         | Negative   | Low          |
| Dollar           | Negative  | High        | Negative   | Low          |
| Bonds            | Positive  | Low         | Positive   | Low          |
| Crude Oil        | Negative  | High        | Negative   | High         |
| Unleaded         | Negative  | High        | Negative   | High         |
| Natural Gas      | Positive  | Low         | Positive   | Low          |

\*Since this fund is quoted at the end of the day it is impossible for the concept of swing highs and lows to apply on a daily level. The primary interests here are the weekly developments.

The daily is representative of the short-term and the weekly is representative of the intermediate-term

# Short-term Updates

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## **Note on the Cycle Turn Indicator**

The most important indicator we have is the Cycle Turn Indicator and the most important timeframe, at least in my mind, is the intermediate-term. This indicator has proven itself time and time again. In reality, this is all we really need to know. Everything else is secondary. That being said, please be sure to monitor the "Cycle Turn Indicator Direction and Swing Summary" above. Red indicates that a swing high and down turn of the Cycle Turn Indicator has occurred and lower prices should follow. The only exception here is that on the daily stock market signals we also want to see both the slow cycle Turn Indicator and the New High/New Low Differential in agreement with the original Cycle Turn Indicator, which is what is covered in this summary above. Yellow, is cautionary meaning that the Cycle Turn Indicator and the swing are not in agreement, which is typically indicative of a trend change. Green, means that a swing low has occurred and that the Cycle Turn Indicator is positive, which should be followed by higher prices. Again, the only exception here is the daily stock market signals in that we want to see both the slow Cycle Turn Indicator and the New High/New Low Differential in agreement with the original Cycle Turn Indicator, which is what is covered in this summary above. For everything else, all that matters is the formation of a swing and the direction of the Cycle Turn Indicator.

See Notes for New Subscribers at the bottom of the Short-Term Update Page or the Research Letter page for information on understanding Cycles and Swings.

May 5, 2024

## Stocks

| End of Week Intermediate-Term Indicator Summary <b>Intermediate-Term Sell</b> |         |
|---|---------|
| <b>Primary Indicators</b>   |         |
| Formation of a Weekly Swing Low   | Bullish |
| Cycle Turn Indicator (CTI)  | Bearish |
| CTI on Rydex Tempest Fund *   | Bullish |
| <b>Confirming Indicators</b>  |         |
| Trend Indicator (TI)  | Bearish |
| Advance/Decline Issues Diff   | Bearish |
| New High New Low Diff   | Bearish |
| <b>Secondary Indicators</b>   |         |
| 5 3 3 Stochastic  | Bullish |
| Cycle Momentum Indicator  | Bearish |
| *When this indicator is Bullish it is negative for the market and visa versa. |         |

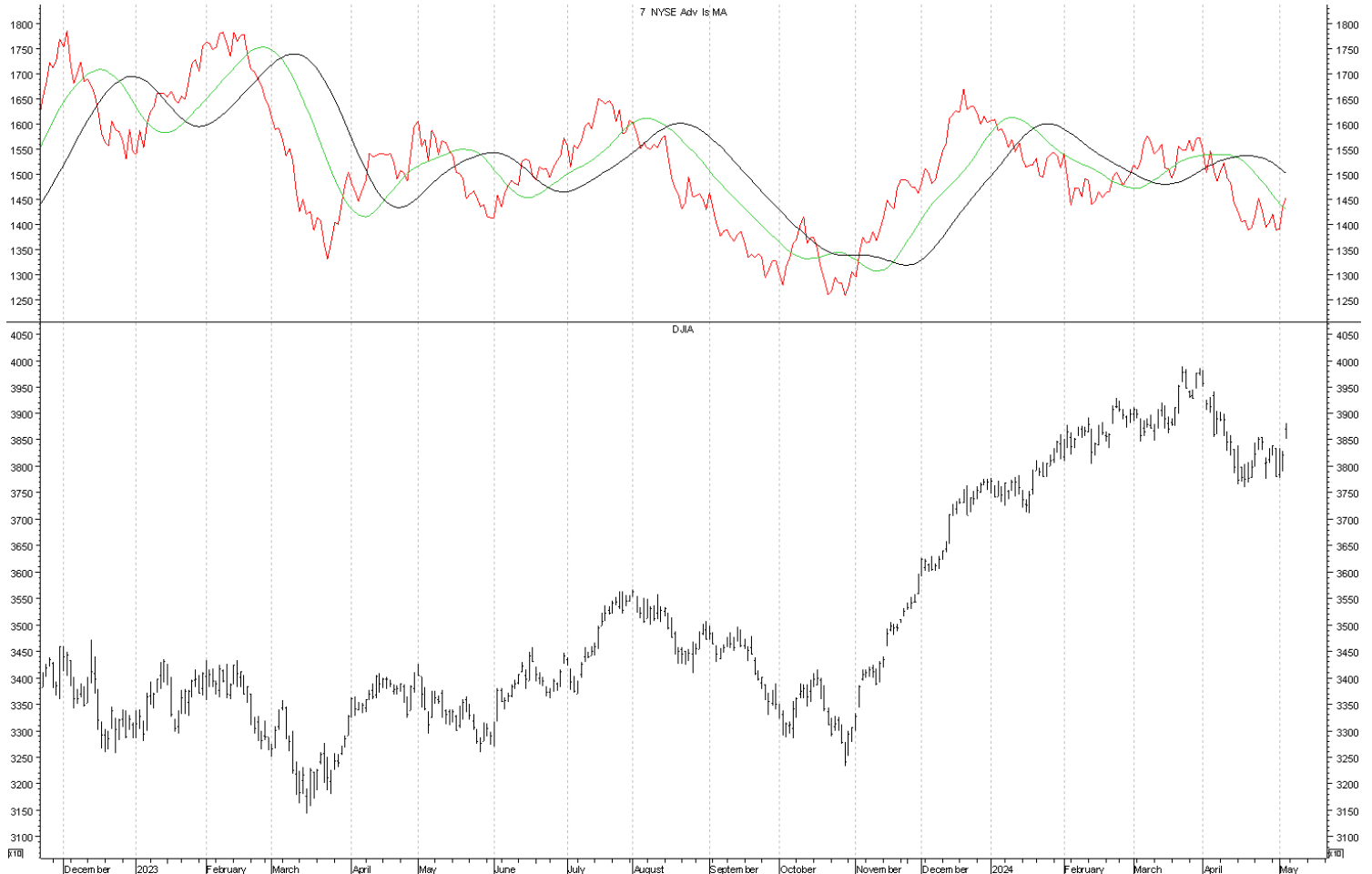
| Daily Indicator Summary <b>Short-Term Buy</b>                  |         |
|--|---------|
| <b>Primary Indicators</b>                                      |         |
| Formation of a Daily Swing Low                                 | Bullish |
| Cycle Turn Indicator (CTI)                                     | Bullish |
| Slow Cycle Turn Indicator (CTI)                                | Bullish |
| New High/New Low Differential                                  | Bullish |
| <b>Confirming Indicators</b>                                   |         |
| Trend Indicator (TI)   | Bearish |
| McClellan Intermediate Term Breadth Momentum Oscillator (ITBM) | Bullish |
| McClellan Intermediate Term Volume Momentum Oscillator (ITVM)  | Bullish |
| McClellan Summation Index                                      | Bullish |
| McClellan Volume Summation Index                               | Bullish |
| <b>Secondary Short Term Indicators</b>                         |         |
| 5 3 3 Stochastic   | Bullish |
| Cycle Momentum Indicator                                       | Bullish |
| Trading Cycle Oscillator                                       | Bullish |
| Momentum Indicator   | Bullish |
| Ratio Adjusted McClellan Oscillator Crossover                  | Bullish |
| Accumulation/Distribution Index                                | Bullish |

The timing band for the trading cycle low ran between April 15th and May 2nd. Since the April 18th completion of a daily swing low and triggering of a short-term buy signal, every indication has been that the trading cycle low was seen on April 17th. As a result of the April 25th and April 30th daily swing highs, this trading cycle came under pressure leaving the Industrials at risk of a failing and left-translated trading cycle advance. But, that weakness proved to have been in association with a retest of the trading cycle low and with the continued advance this week on the heels of the April 26th completion of a weekly swing low every indication is that the intermediate-term cycle low has been seen as well. With that said, we have not seen an upturn of the weekly CTI and for that reason an intermediate-term buy signal has not been triggered. Ultimately, a right-translated trading cycle advance will serve as final confirmation of the suspected intermediate-term cycle low, but given the cyclical phasing for the intermediate-term cycle and in spite of the absence of an intermediate-term buy signal, the assumption is that the intermediate-term cycle low was seen in conjunction with the April 17th trading cycle low. Any further advance that turns the weekly CTI up will

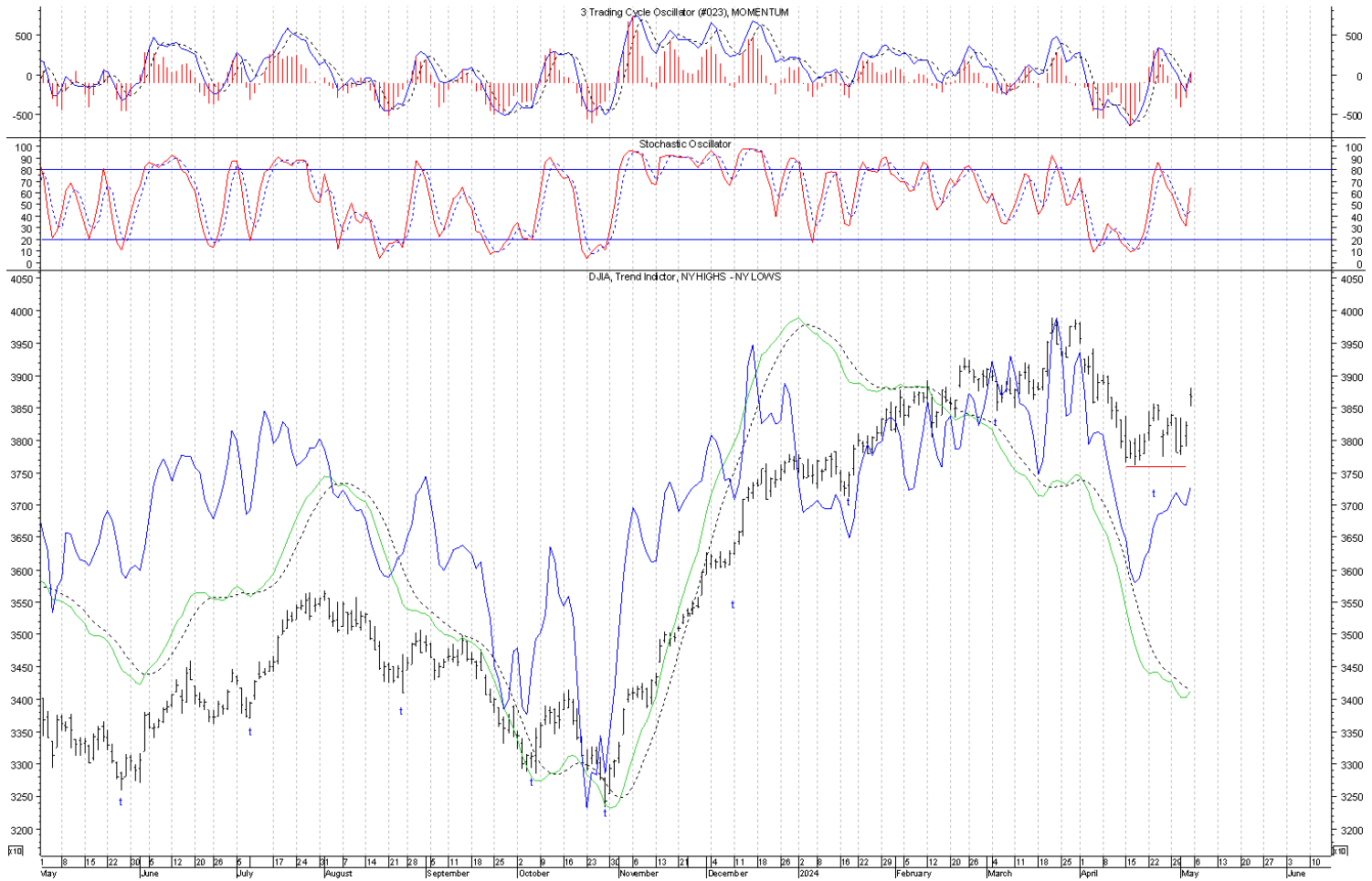
trigger an intermediate-term buy signal in association with the trading and assumed intermediate-term cycle low.

Monday's short-term sell signal on Crude Oil has been followed by continued weakness in association with the decline out of the intermediate-term cycle top and while the month is young, we have a monthly swing high in the making as well. Gasoline also triggered a short-term buy signal on Tuesday and as with Crude Oil, every indication was that the retest of the intermediate-term cycle top had also run its course. Here too, the weakness that has followed is further suggestive of the intermediate-term cycle top and we now also have a monthly swing high in the making. Natural Gas triggered a short-term buy signal on Monday and this signal will continue to remain intact until reversed, but based on the higher degree structure, this advance is expected to be counter-trend. The CRB Index completed the formation of a daily swing low on Friday, but the April 23rd short-term sell signal remains intact and this week's completion of a weekly swing high continues to be further suggestive of the higher degree intermediate-term cycle top. Given the sideways action over the last three days, there continues to be no change with Gold. The previously triggered short-term sell signal remains intact and the assumption continues to be that the trading cycle low was seen on April 23rd. The XAU completed the formation of a daily swing low on Friday, but the April 30th short-term sell signal remains intact and here too, every indication is that we have a left-translated trading cycle at play. The Dollar completed the formation of a daily swing high on Thursday and further weakness in association with the ongoing short-term sell signal followed on Friday. At a higher level, the intermediate-term cycle top should ideally be in place and the triggering of an intermediate-term sell signal should serve as confirmation of this suspected top. Bonds completed the formation of another daily swing low on Monday, April 29th, and with the upturn of the daily CTI, a short-term buy signal was triggered. As a result of the continued strength, we also saw the completion of a weekly swing low this past week, as well as an upturn of the weekly CTI. In doing so, an intermediate-term buy signal was triggered and the intermediate-term cycle low should be in place.

The Intermediate-Term Advancing Issues Line, plotted in red, continues its most recent advance and with the April 18th low having held, the oscillator picture continues to be suggestive of this past week's weakness having been in association with a retest of the trading cycle low. Once a weekly swing low, which we now have, is accompanied by another upturn of the Green MA above the Black MA, we should have confirmation of the intermediate-term cycle low having been seen.

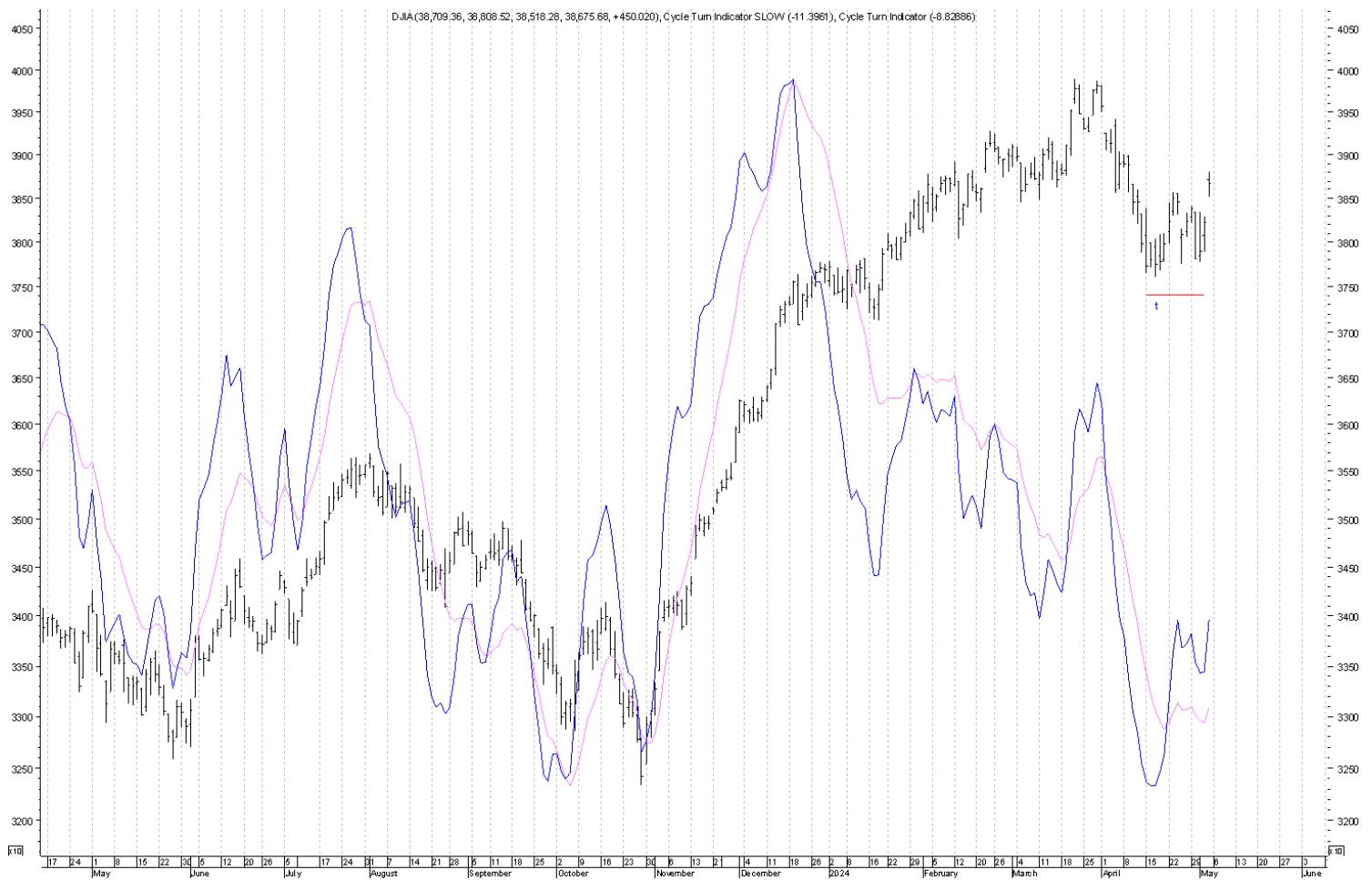


The **Trading Cycle Oscillator** in the upper window has turned up as has the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window also continues its upturn as well and with the April 23rd daily swing high now bettered, this recent weakness did in fact prove to have been a retest of the trading and suspected intermediate-term cycle low. The **New High/New Low Differential**, plotted with price, turned back up on Friday. The **Trend Indicator** remains below its trigger line, but is also now turning back up.

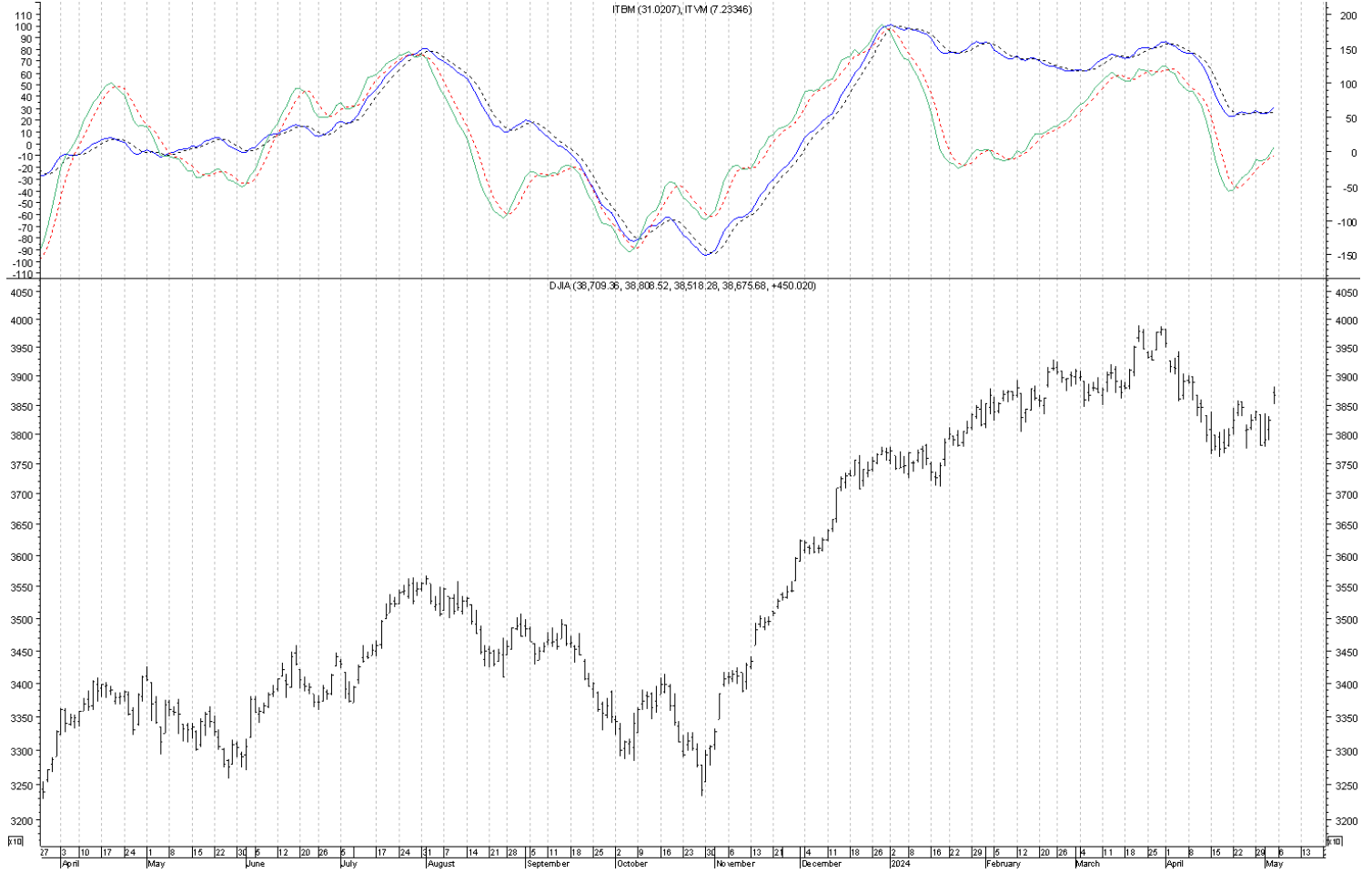


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

As discussed in the Thursday night update, we knew that the oscillator picture had improved and that Wednesday's short-term sell signal was suspected to have been in association with a retest of the trading cycle low. With the completion of another daily swing low on Friday and the accompanying upturn of ALL Three of the Primary Short-Term Indicators, a short-term buy signal was triggered confirming this to have been the case. Bottom line, the trading cycle low was in fact seen on April 17th and this short-term buy signal will remain intact until another daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen.

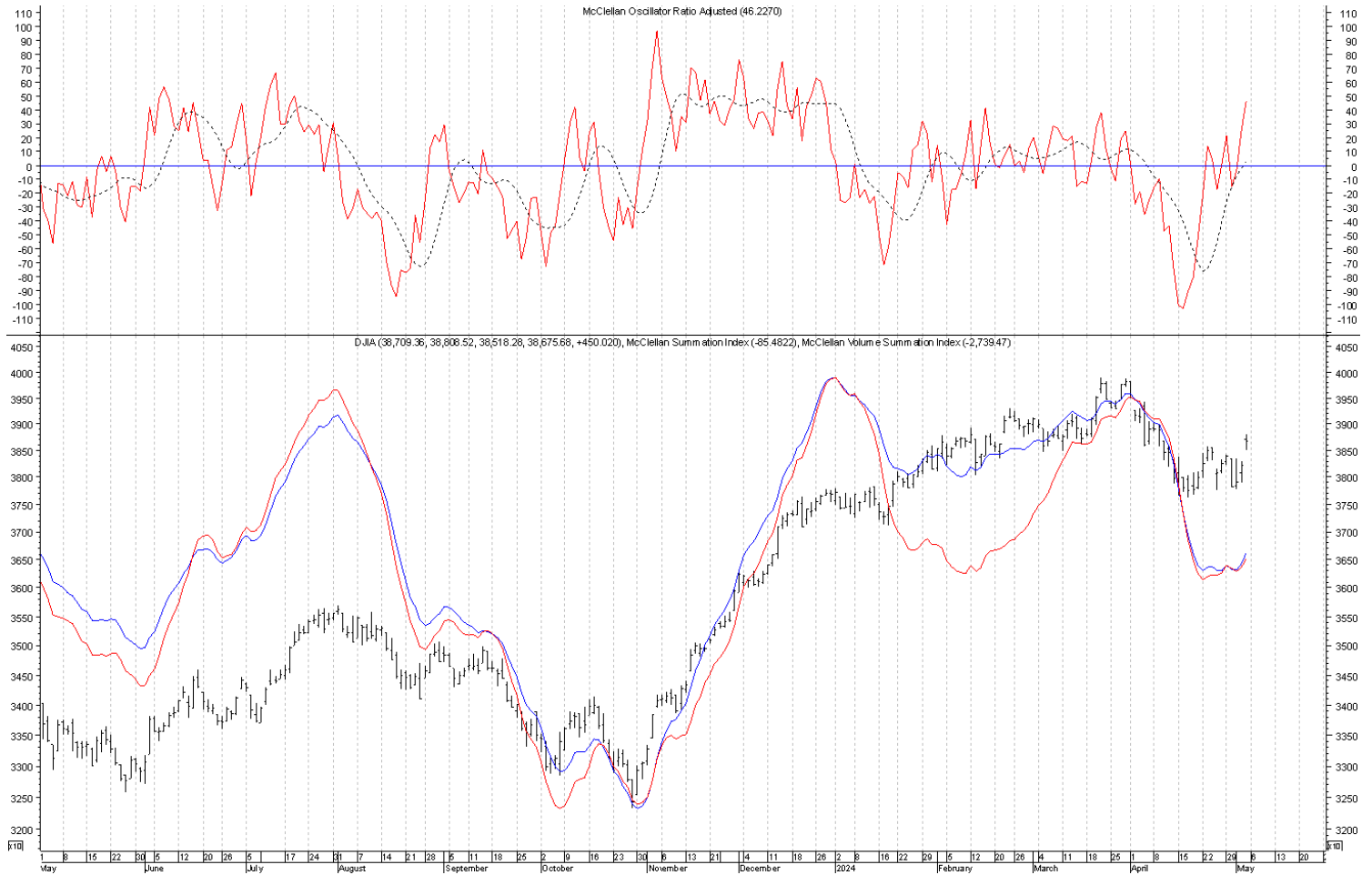


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** continue their upturn.





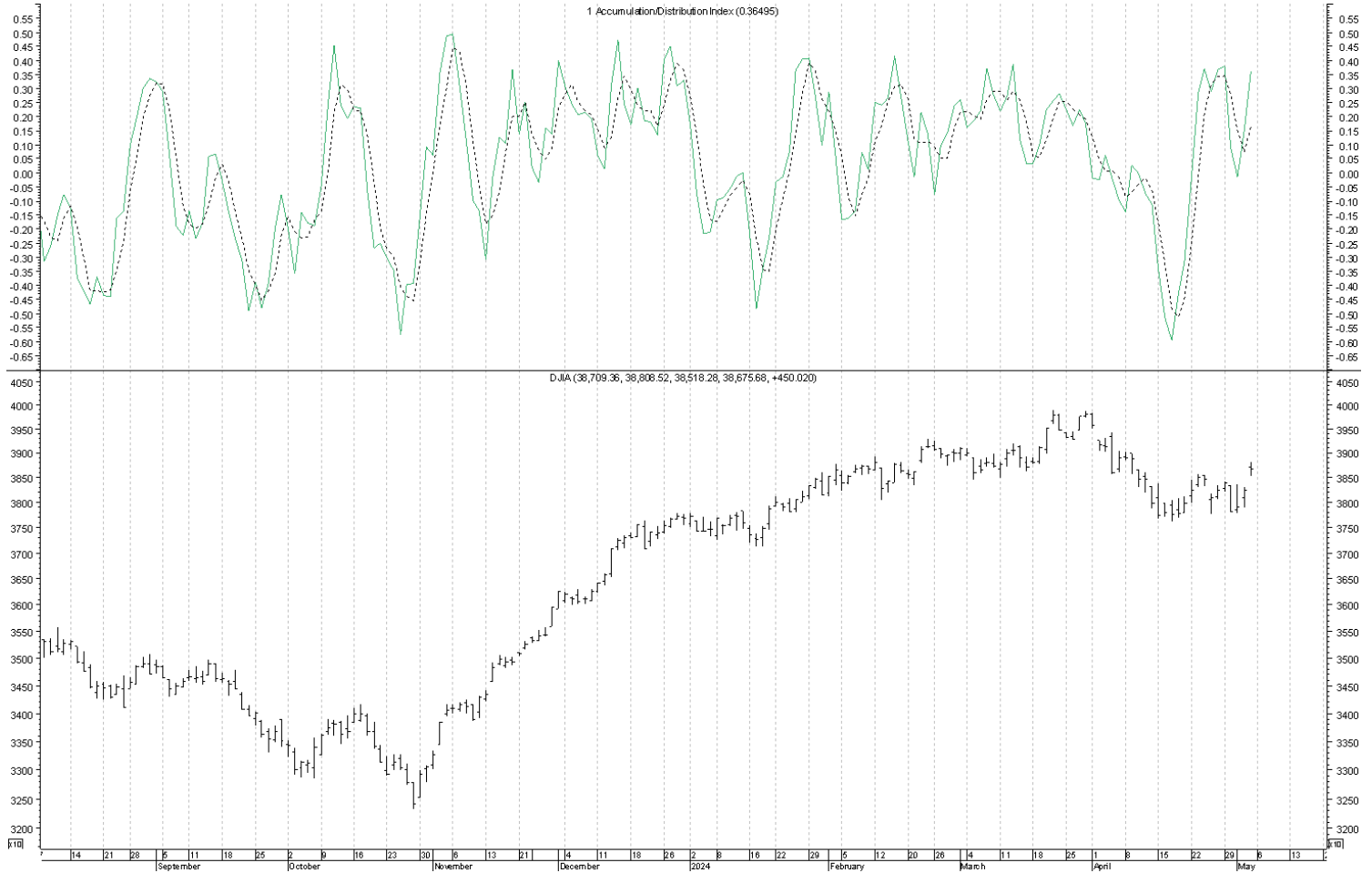
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their upturns as well and in doing so the price/oscillator picture here continues to be reflective of the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window continues its upturn and here too, the oscillator picture continues to be reflective of the April 17th trading cycle low.



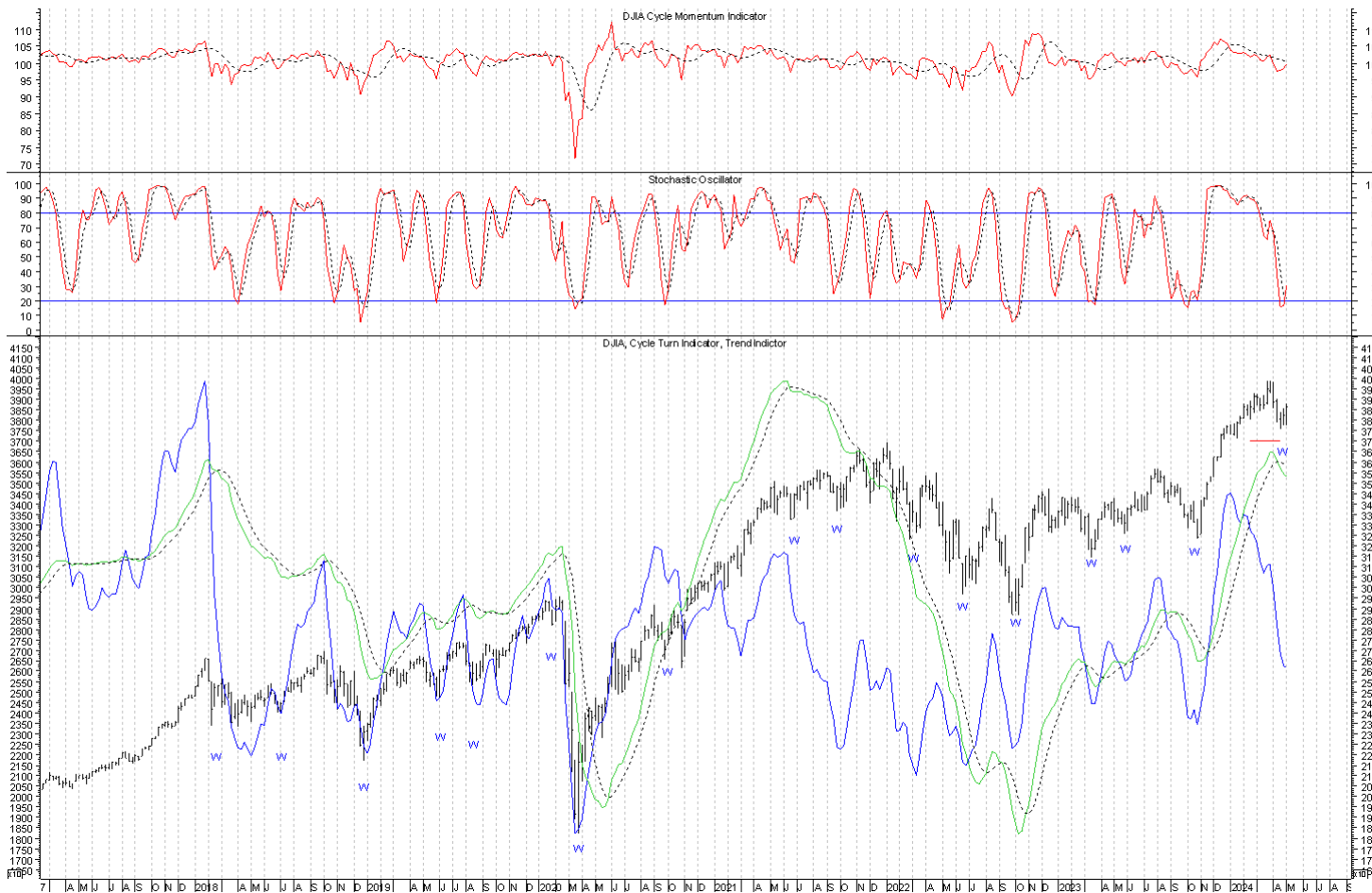
The smoothed McClellan oscillator continues its upturn out of the April 17th trading cycle low as well.



The **Accumulation/Distribution Index** turned back up on Thursday in association with what has in fact proven to have been a retest of the trading cycle low.



Our weekly chart of the Industrials is next and the timing band for the current intermediate-term cycle low ran between February 16th and April 19th. As discussed here in last weekend's update, with the completion of a weekly swing low the week of April 26th, the evidence was suggestive of the trading cycle low and what should have ideally also been the intermediate-term cycle low having been seen in conjunction with the April 17th daily swing low. In spite of the absence of the triggering of an intermediate-term buy signal this past week, the continued strength with this past week's close is further suggestive of the intermediate-term cycle low. Any further strength that turns the weekly CTI up will trigger an intermediate-term buy signal in association with this low. In order to keep this assumed intermediate-term cycle advance structurally positive, this trading cycle advance must continue higher in association with a right-translated structure. Otherwise, evidence of a failed and left-translated trading cycle will be reason to again reevaluate the possibility of the alternative phasing of the intermediate-term cycle with the low having been seen early in January, in which case the timing band for the intermediate-term cycle low would be pushed out to between May 9th and July 11th with another trading cycle down. However, as was discussed here in last weekend's update, we will continue to operate under the assumption that the intermediate-term cycle low was seen in conjunction with the April 17th trading cycle low. A weekly swing high will be completed in the coming week if 38,808.52 is not bettered and if 37,780.54 is violated.



## Gold

### End of Week Intermediate-Term Indicator Summary **Intermediate-Term Sell**

#### Primary Indicators

|                                  |         |
|----------------------------------|---------|
| Formation of a Weekly Swing High | Bearish |
| Cycle Turn Indicator (CTI)       | Bearish |

#### Confirming Indicators

|                          |         |
|--------------------------|---------|
| Trend Indicator (TI)     | Bullish |
| Cycle Momentum Indicator | Bearish |

#### Secondary Indicators

|                  |         |
|------------------|---------|
| 5 3 3 Stochastic | Bearish |
|------------------|---------|

### Daily Indicator Summary **Short-Term Sell**

#### Primary Indicators

|                                 |         |
|---------------------------------|---------|
| Formation of a Daily Swing High | Bearish |
| Cycle Turn Indicator (CTI)      | Bearish |

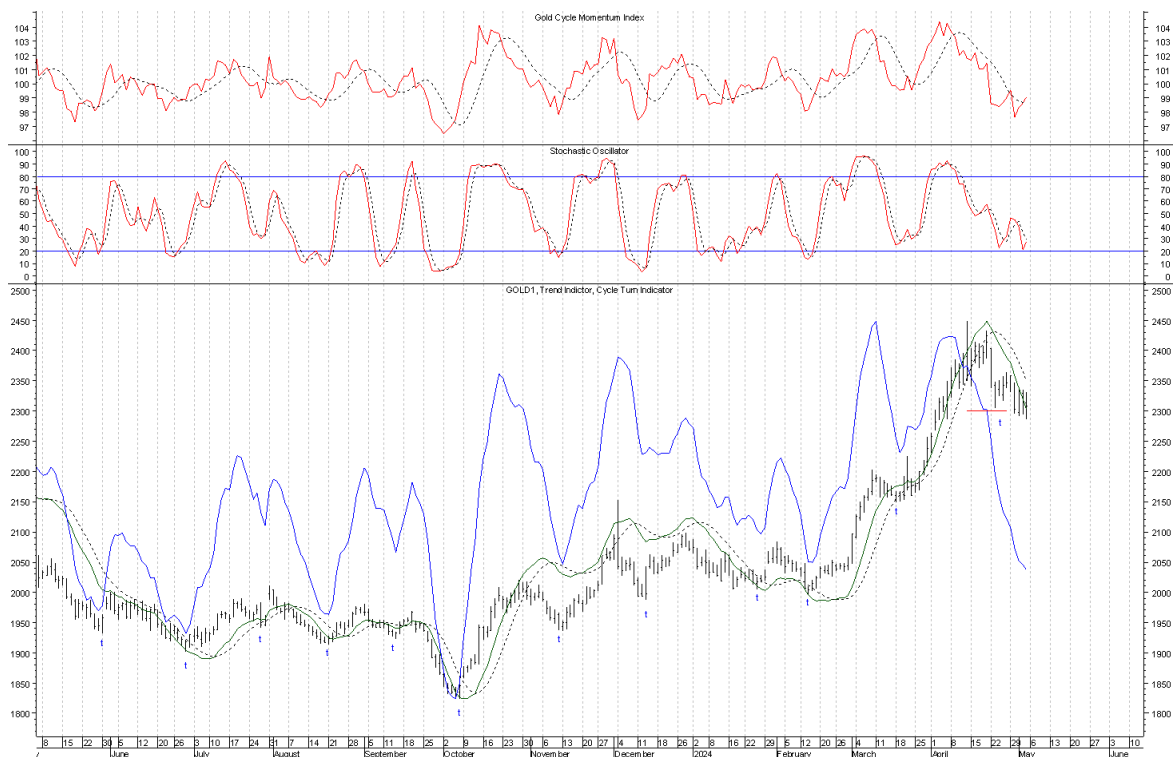
#### Confirming Indicators

|                          |         |
|--------------------------|---------|
| Trend Indicator (TI)     | Bearish |
| Cycle Momentum Indicator | Bullish |

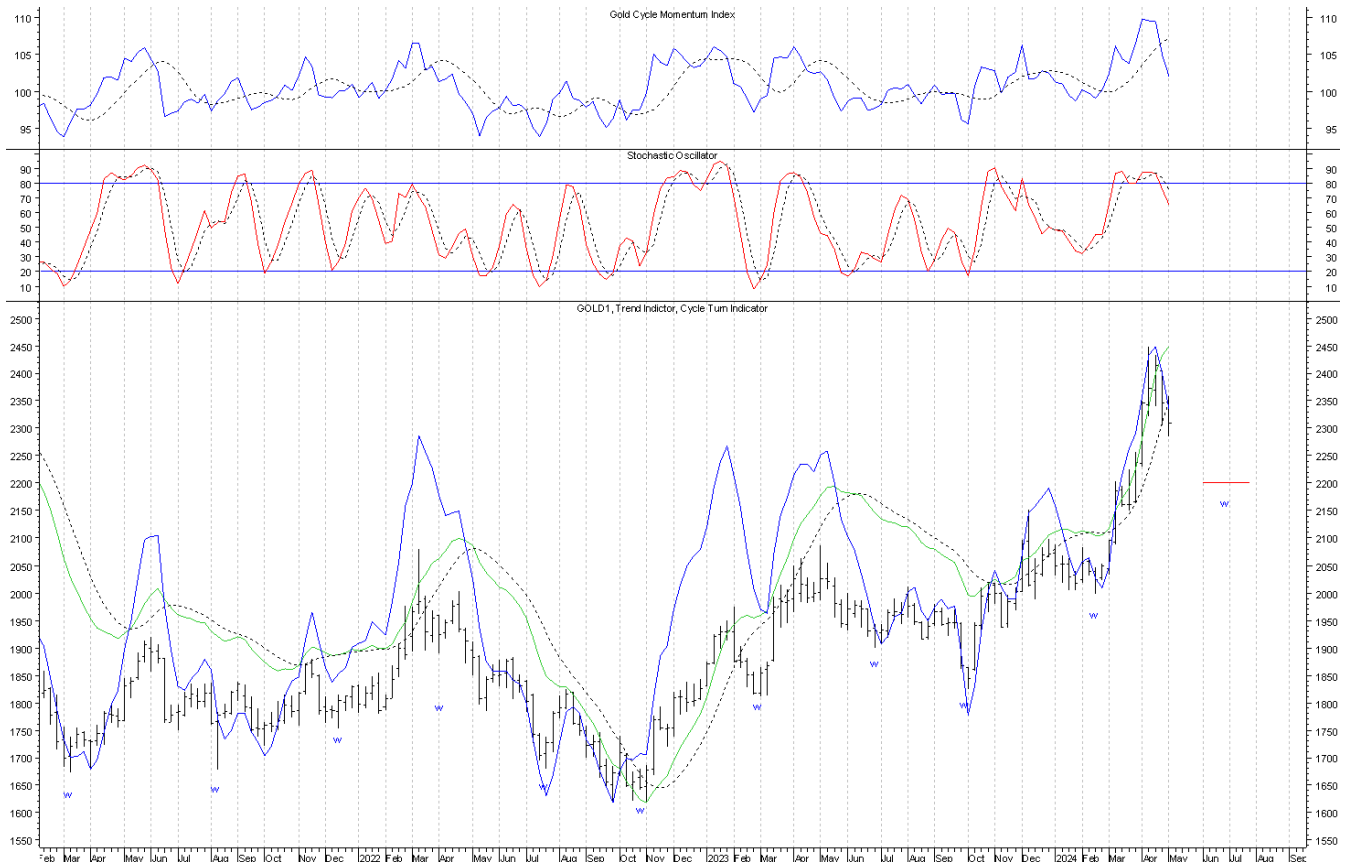
#### Secondary Short Term Indicators

|                  |         |
|------------------|---------|
| 5 3 3 Stochastic | Bearish |
|------------------|---------|

**No change with Gold. The timing band for the current trading cycle low ran between April 12th and April 26th. With the completion of a daily swing low on April 24th and the price action that followed into the April 26th daily swing high, while a short-term buy signal was not triggered, every indication continues to be that the trading cycle low was seen on April 23rd. Now, with price having moved this far beyond the timing band for the trading cycle low, the completion of a daily swing high on April 29th, along with the price action since, we have to continue to assume that we have a failed and left-translated trading cycle at play. Short-term, the oscillator picture is suggestive of a bounce, but based on the evidence of the higher degree intermediate-term cycle top, any such bounce should ideally be counter-trend. If so, such failed advance will serve as further structural evidence of the suspected intermediate-term cycle top. Another daily swing low will be completed on Monday if 2,285.20 holds and if 2,330.70 is bettered.**



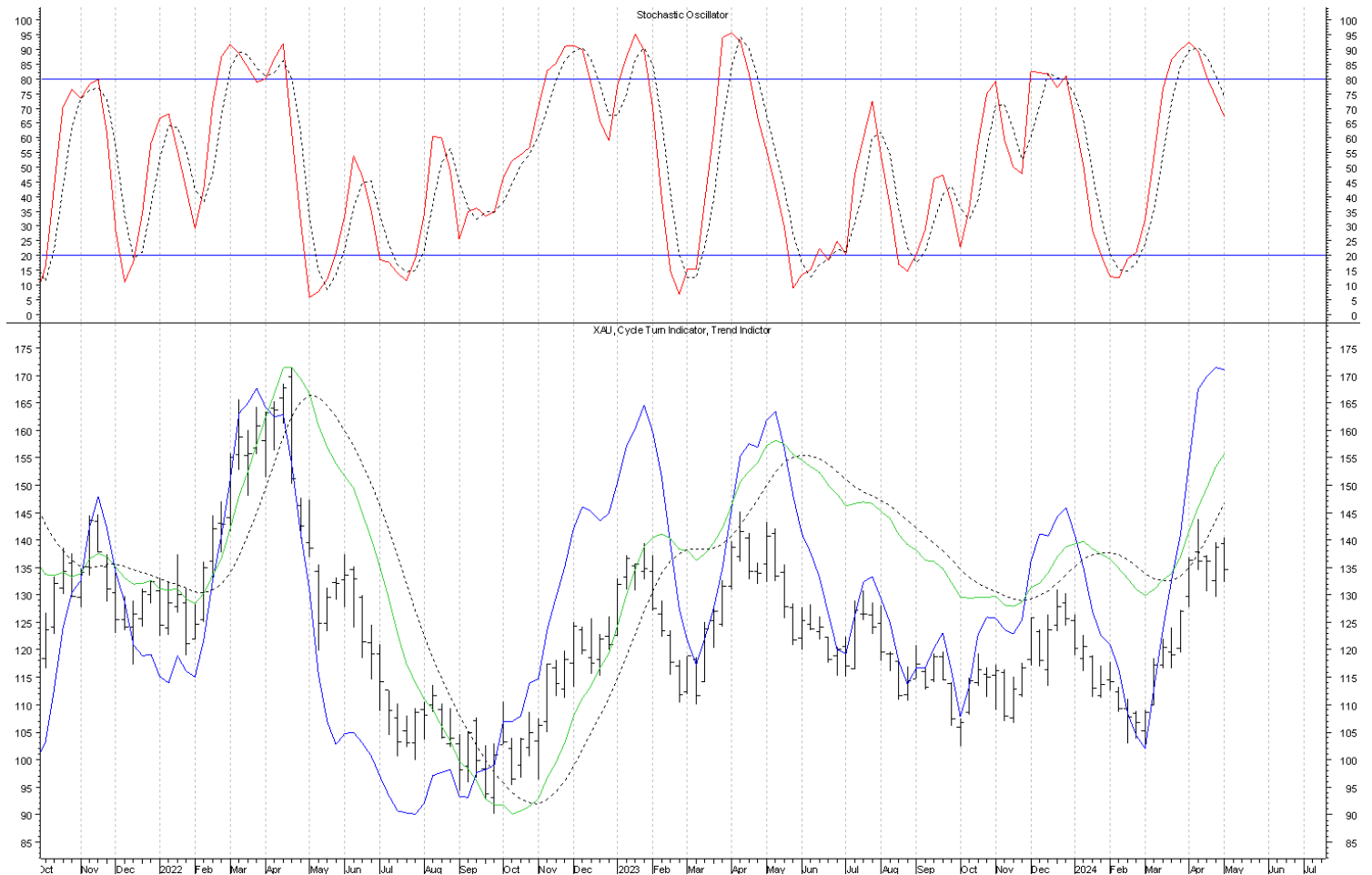
Our weekly chart of Gold is next and the timing band for the next intermediate-term cycle low runs between June 4th and July 23rd. With the completion of a weekly swing high and downturn of the weekly CTI the week of April 26th, an intermediate-term sell signal was triggered and every indication continues to be that the intermediate-term cycle top has been seen. At a higher level, the 9-year cycle low was ideally due in the late 2023 to 2024 timeframe, but because of the bettering of the May 2023 seasonal cycle top and more recently the December 2023 intermediate-term cycle top, the evidence has been increasingly suggestive of the November 2022 seasonal cycle low having also marked the 9-year cycle low. While the bettering of the December 2023 high and continued advance has obviously been a positive development for Gold, as was discussed in the December Research Letter, the Industrial Metals Index nor the CRB Index have structurally confirmed this advance. Until such structural confirmation is seen, the higher degree expectation is for this to be an ending push into a left-translated 9-year cycle top in accordance with the overall setting up of the CheckMate Chart. For now, the price/oscillator picture continues to be increasingly suggestive of the intermediate-term cycle top, which we continue to assume to be in place. This intermediate-term sell signal will remain intact until another weekly swing low and upturn of the weekly CTI are seen. Another weekly swing low will be completed in the coming week if 2,285.20 holds and if 2,358.90 is bettered.



Our daily chart of the XAU is next. The price action on Friday completed the formation of a daily swing low, but because of the reversal lower and with the daily CTI remaining negative, the April 30th short-term sell signal remains intact. As with Gold, every indication is that the trading cycle low was seen on April 23rd and structurally the XAU remains at risk of a failed and left-translated trading cycle. This short-term sell signal will remain intact until another daily swing low AND upturn of the daily CTI are seen and until proven otherwise, the assumption is that we have a failed and left-translated trading cycle at play. Another daily swing high will be completed on Monday if 135.88 is not bettered and if 133.43 is violated.



Our weekly chart of the XAU is next. The price action this past week completed the formation of a weekly swing low, but reversed lower. As with Gold, the intermediate-term cycle top should ideally be in place. However, we need to see both the completion of a weekly swing high AND a downturn of the weekly CTI in order to trigger a short-term sell signal. If the trading cycle advance out of the April 23rd daily swing low does in fact prove to be a failed and left-translated counter-trend advance, it will leave the XAU positioned for greater weakness into the higher degree intermediate-term cycle low whereas any push above the April 12th daily swing high should be in association with an ending push into the intermediate-term cycle top. Any further weakness that turns the weekly CTI down will trigger an intermediate-term sell signal. Another weekly swing high will be completed in the coming week if 140.32 is not bettered and if 132.40 is violated.





## Dollar

### End of Week Intermediate-Term Indicator Summary **Intermediate-Term Buy**

#### Primary Indicators

|                                 |         |
|---------------------------------|---------|
| Formation of a Weekly Swing Low | Bullish |
| Cycle Turn Indicator (CTI)      | Bearish |

#### Confirming Indicators

|                          |         |
|--------------------------|---------|
| Trend Indicator (TI)     | Bullish |
| Cycle Momentum Indicator | Bearish |

#### Secondary Indicators

|                  |         |
|------------------|---------|
| 5 3 3 Stochastic | Bearish |
|------------------|---------|

### Daily Indicator Summary **Short-Term Sell**

#### Primary Indicators

|                                 |         |
|---------------------------------|---------|
| Formation of a Daily Swing High | Bearish |
| Cycle Turn Indicator (CTI)      | Bearish |

#### Confirming Indicators

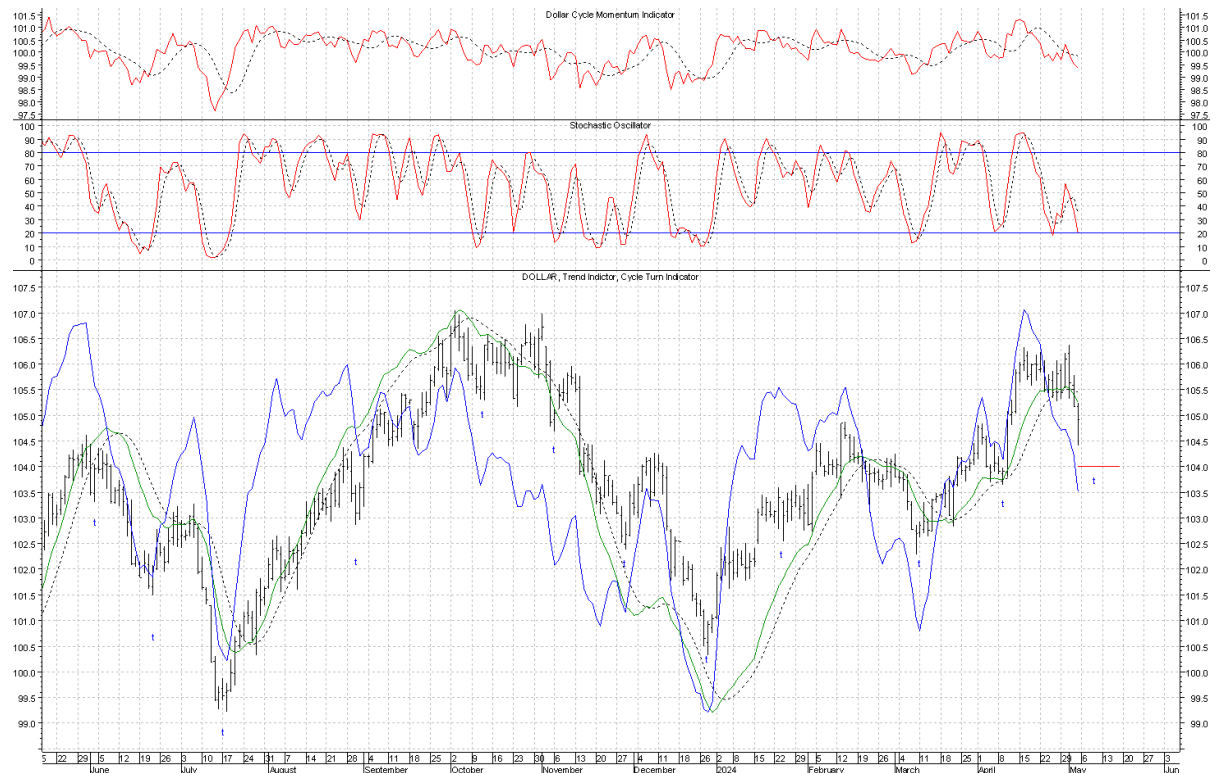
|                          |         |
|--------------------------|---------|
| Trend Indicator (TI)     | Bearish |
| Cycle Momentum Indicator | Bearish |

#### Secondary Indicators

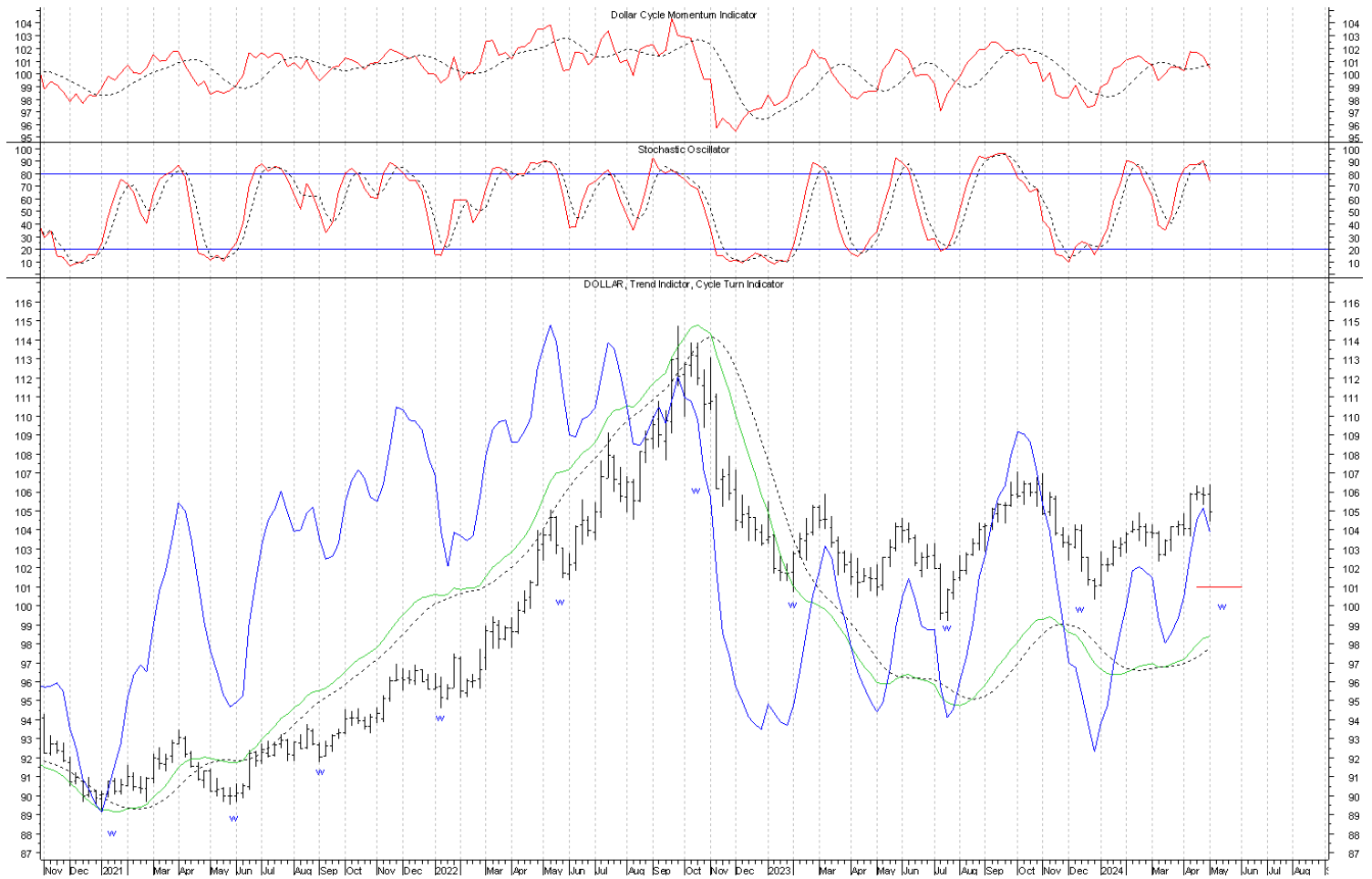
|                  |         |
|------------------|---------|
| 5 3 3 Stochastic | Bearish |
|------------------|---------|

The last trading cycle low was seen on April 9th and as discussed in recent updates, every indication has been that the trading cycle top was seen on April 16th. As a result, the Dollar has been at risk of a left-translated trading cycle top, thereby leaving the Dollar positioned for further weakness in association with what we knew should be the decline out of the intermediate-term cycle top. Given the price action this past week, the intermediate-term cycle top should now be in place, but as structural confirmation we next need to see the completion of a weekly swing high. The timing band for the pending trading cycle low runs between May 5th and May 17th. Structurally, the advance out of the pending trading cycle low will serve as the test of the suspected intermediate-term cycle top. For now, this short-term sell signal will remain intact until another daily swing low and upturn of the daily CTI are seen and at this juncture we should ideally see continued weakness as we

move further into the timing band for this low. A daily swing low will be completed on Monday if 104.41 holds and if 105.24 is bettered.



Our weekly chart of the Dollar is next and the timing band for the now due intermediate-term cycle low runs between April 19th and June 7th. Because of the advance on Tuesday and the initial move higher on Wednesday, the weekly swing high was lost. However, because of the weekly reversal lower the price/oscillator picture certainly remains ripe for the intermediate-term cycle top. With the weekly CTI having turned down, any further weakness in the coming week that completes the formation of another weekly swing high will trigger an intermediate-term sell signal in conjunction with what should be the intermediate-term cycle top. At a higher level, as a result of the October monthly swing high, the Dollar remains at risk of a left-translated seasonal cycle top and even with this cycle being right-translated, it has been in association with a structural retest of the higher degree seasonal cycle top. More on this all once the intermediate-term cycle top is confirmed. Another weekly swing high will be completed in the coming week if 106.38 is not bettered and if 104.42 is violated.

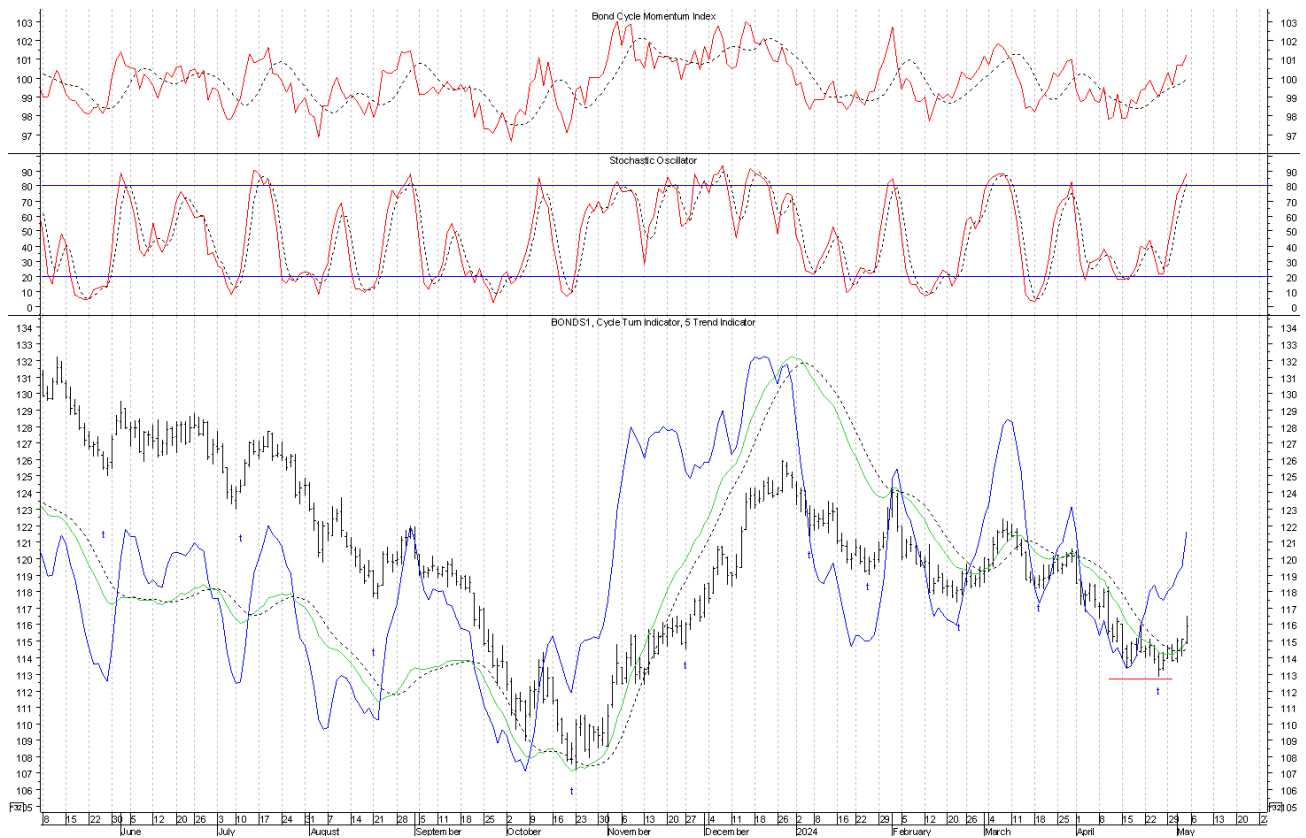


## Bonds

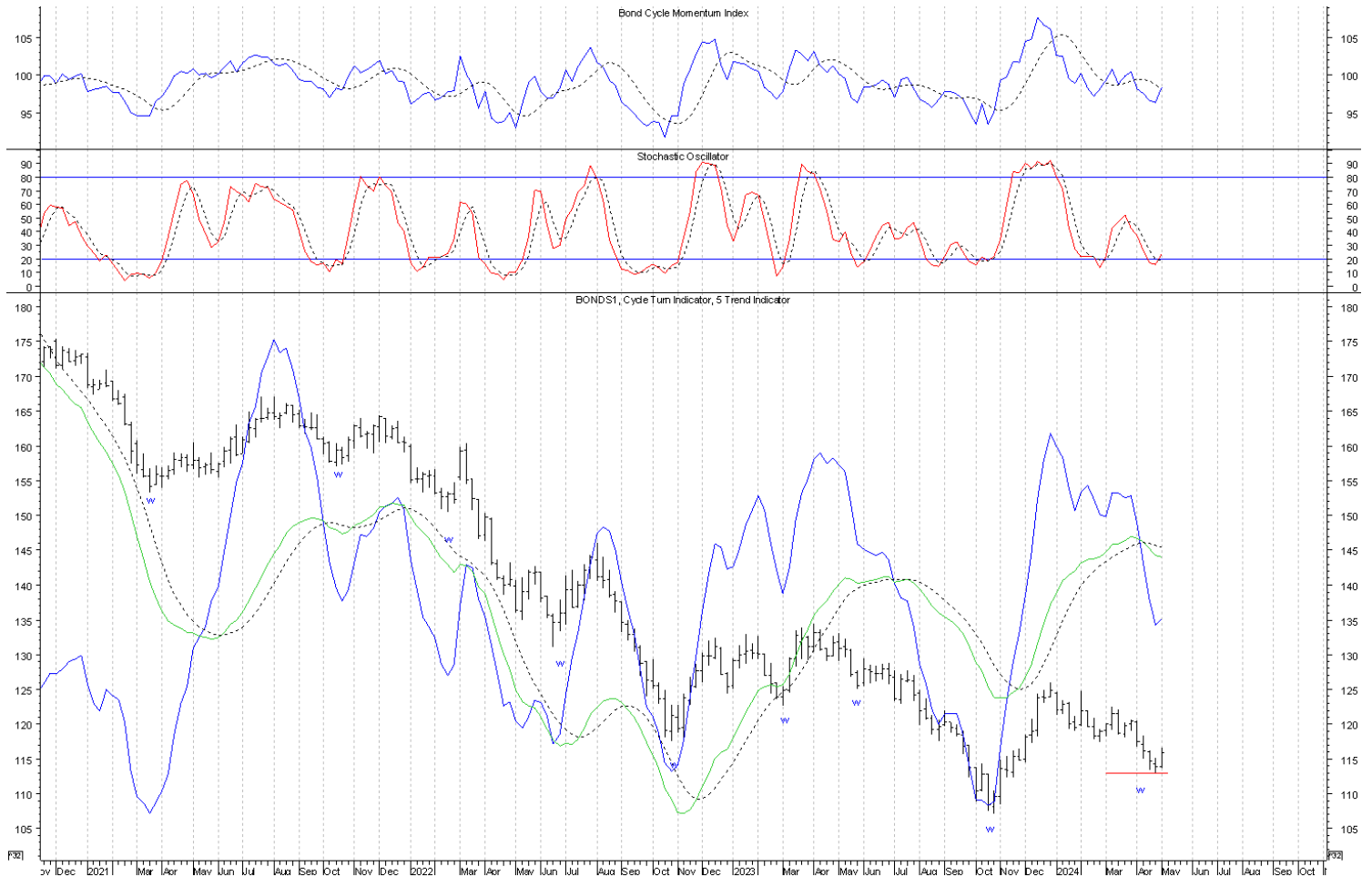
| End of Week Intermediate-Term Indicator Summary <b>Intermediate-Term Buy</b> |         |
|--|---------|
| <b>Primary Indicators</b>  |         |
| Formation of a Weekly Swing Low  | Bullish |
| Cycle Turn Indicator (CTI)   | Bullish |
| <b>Confirming Indicators</b>   |         |
| Trend Indicator (TI)   | Bearish |
| Cycle Momentum Indicator   | Bullish |
| <b>Secondary Indicators</b>  |         |
| 5 3 3 Stochastic   | Bullish |

| Daily Indicator Summary <b>Short-Term Buy</b> |         |
|---|---------|
| <b>Primary Indicators</b>                     |         |
| Formation of a Daily Swing Low                | Bullish |
| Cycle Turn Indicator (CTI)                    | Bullish |
| <b>Confirming Indicators</b>                  |         |
| Trend Indicator (TI)                          | Bullish |
| Cycle Momentum Indicator                      | Bullish |
| <b>Secondary Short Term Indicators</b>        |         |
| 5 3 3 Stochastic                              | Bullish |

The timing band for the trading cycle low ran between April 10th and April 30th. As previously discussed, this low was seen on April 25th. The timing band for the higher degree intermediate-term cycle low runs between February 29th and May 9th. We have known that this low should ideally be seen in conjunction with the current trading cycle low and with the triggering of an intermediate-term buy signal this past week, every indication is that the higher degree intermediate-term cycle low has been seen. As further confirmation of the intermediate-term cycle low and in order to keep the structure of that advance positive, we must see this trading cycle advance continue higher with a right-translated structure.

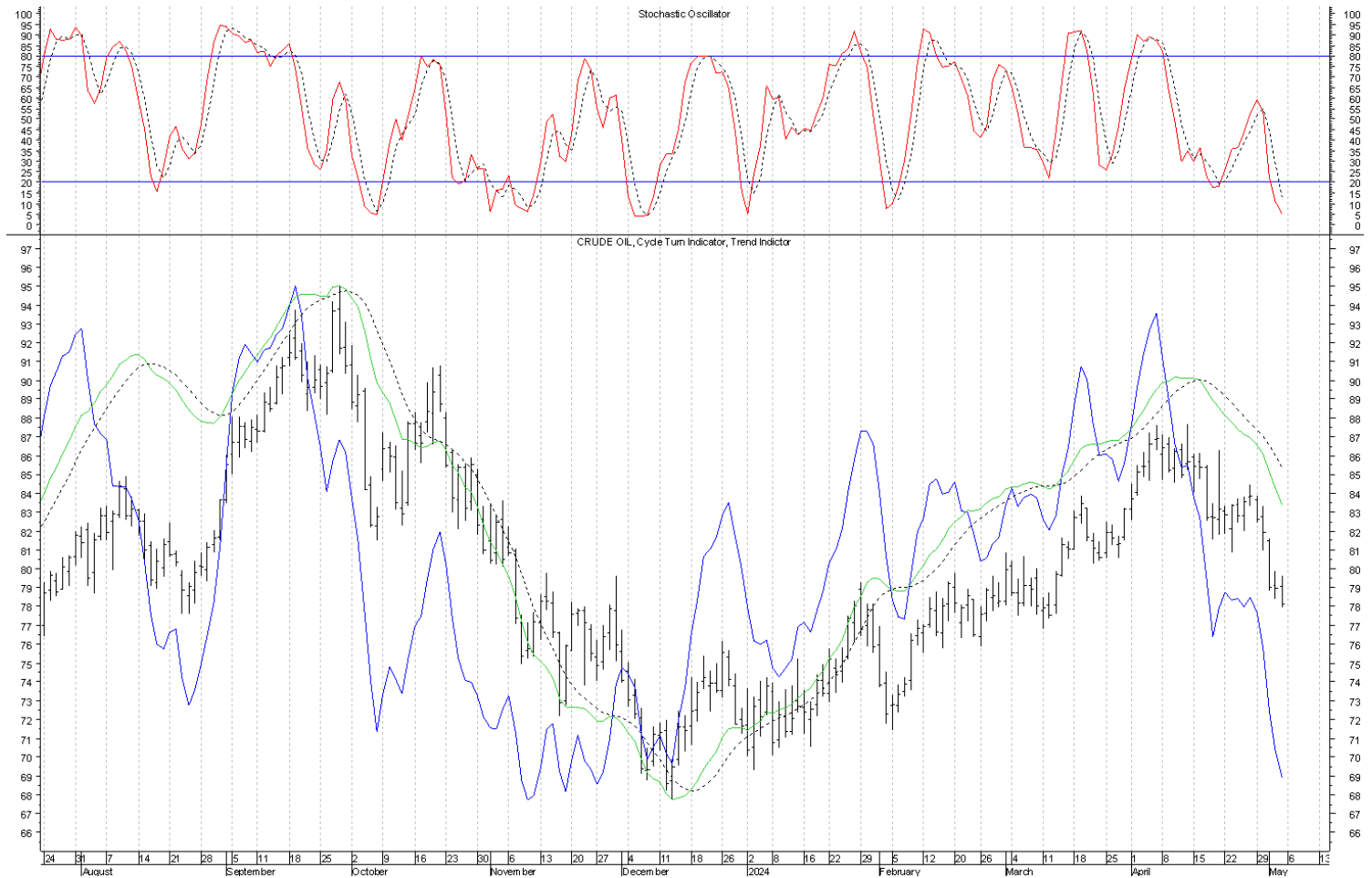


The timing band for the current intermediate-term cycle low runs between February 29th and May 9th. Accordingly, the expectation has been to see this low in conjunction with the current trading cycle low or possibly in conjunction with one more trading cycle down. With the completion of a weekly swing low in conjunction with the advance out of the current trading cycle low, the evidence is now suggestive of the intermediate-term cycle low having been seen, but again, as additional confirmation we now need to see this trading cycle advance continue higher with a right-translated structure. Bottom line, this week's completion of a weekly swing low and upturn of the weekly CTI, plotted with price, triggered an intermediate-term buy signal and the assumption is that the intermediate-term cycle low has been seen.

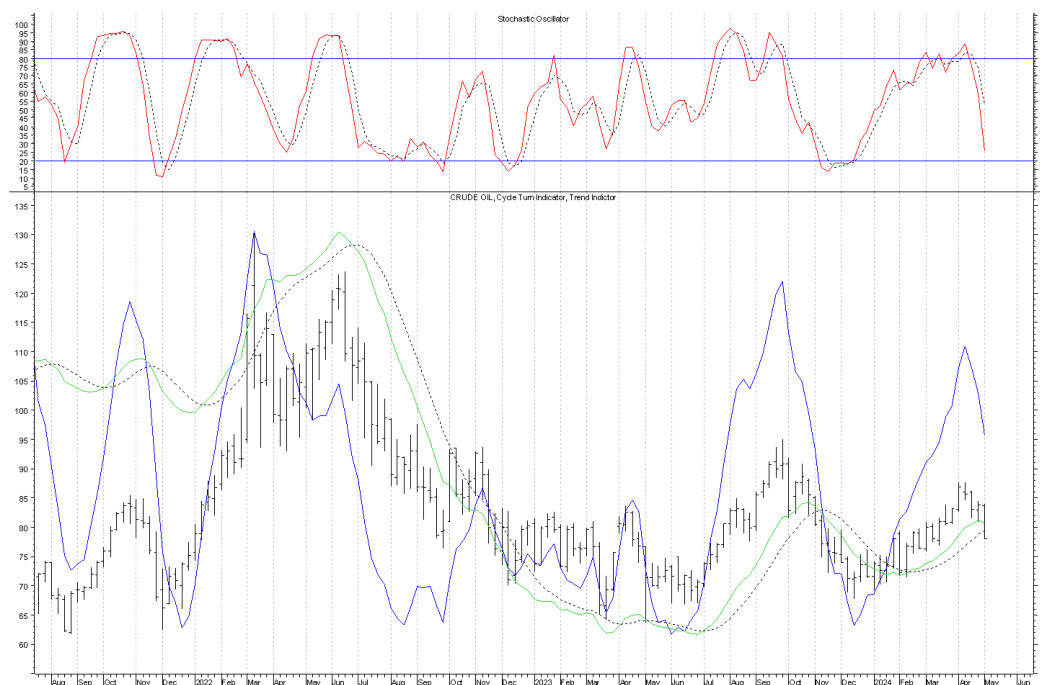


## Crude Oil

No change with Crude Oil at this level. The April 26th short-term sell signal left Crude Oil at risk of the advance out of the April 23rd daily swing low having run its course and with the completion of another daily swing high on Monday, per the Tuesday night update, the assumption was that it had. Structurally, this implied that we had a failed and left-translated trading cycle advance at play and with the violation of the April 23rd low on Wednesday, May 1st, this proved to be the case. This short-term sell signal has carried price to oversold levels, per the 5 3 3 Stochastic, but as a result of the intermediate-term cycle top and evidence of a higher degree cycle top, any bounce is expected to be counter trend and followed by continued weakness in association with the higher degree cycle top. This short-term sell signal will remain intact until another daily swing low and upturn of the daily CTI are seen. A daily swing low will be completed on Monday if 77.96 holds and if 79.63 is bettered.



Our weekly chart of Crude Oil is next. The week of April 19th Crude Oil completed the formation of a weekly swing high and with the downturn of the weekly **CTI**, an intermediate-term sell signal was triggered. As a result, the evidence was suggestive of the intermediate-term cycle top and it was the advance out of the April 23rd trading cycle low that served as the structural test of that top. With the triggering of a short-term sell signal on Monday, April 29th, it left Crude Oil at risk of a failed and left-translated trading cycle top and with the violation of the April 23rd swing low on Wednesday, May 1st, this risk became reality, thereby confirming the suspected intermediate-term cycle top. At a higher level, we have known that the September 2023 seasonal cycle top has been an opportunity to have capped the higher degree 3-year cycle top. As a result of the monthly swing high that is now in the making in conjunction with the decline out of the April intermediate-term cycle top, every indication is that the advance out of the December intermediate-term cycle low was a retest of the 3-year cycle top, now leaving Crude Oil positioned for overall continued weakness in association with that higher degree cycle top. More on this as this intermediate-term decline unfolds. In the meantime, the intermediate-term sell signal will remain intact until a weekly swing low AND upturn of the weekly **CTI** are seen. A weekly swing low will be completed in the coming week if 77.96 holds and if 83.91 is bettered.



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