

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 7, 2024

Market	Daily CTI	Daily Swing	Weekly CTI	Weekly Swing
Industrial	Positive	Low	Positive	Low
Transports	Positive	Low	Negative	Low
NDX	Positive	Low	Positive	Low
S&P Inverse Fund	Negative	N/A	Negative	High
CRB Index	Positive	Low	Negative	High
Gold	Positive	Low	Negative	High
XAU	Positive	High	Negative	Low
Dollar	Negative	Low	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

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 7, 2024

Stocks

End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell	
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
CTI on Rydex Tempest Fund *	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Advance/Decline Issues Diff	Bearish
New High New Low Diff	Bearish
Secondary Indicators	
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 Short-Term Buy	
Primary Indicators	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Slow Cycle Turn Indicator (CTI)	Bullish
New High/New Low Differential	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bullish
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
Secondary Short Term Indicators	
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	Bearish

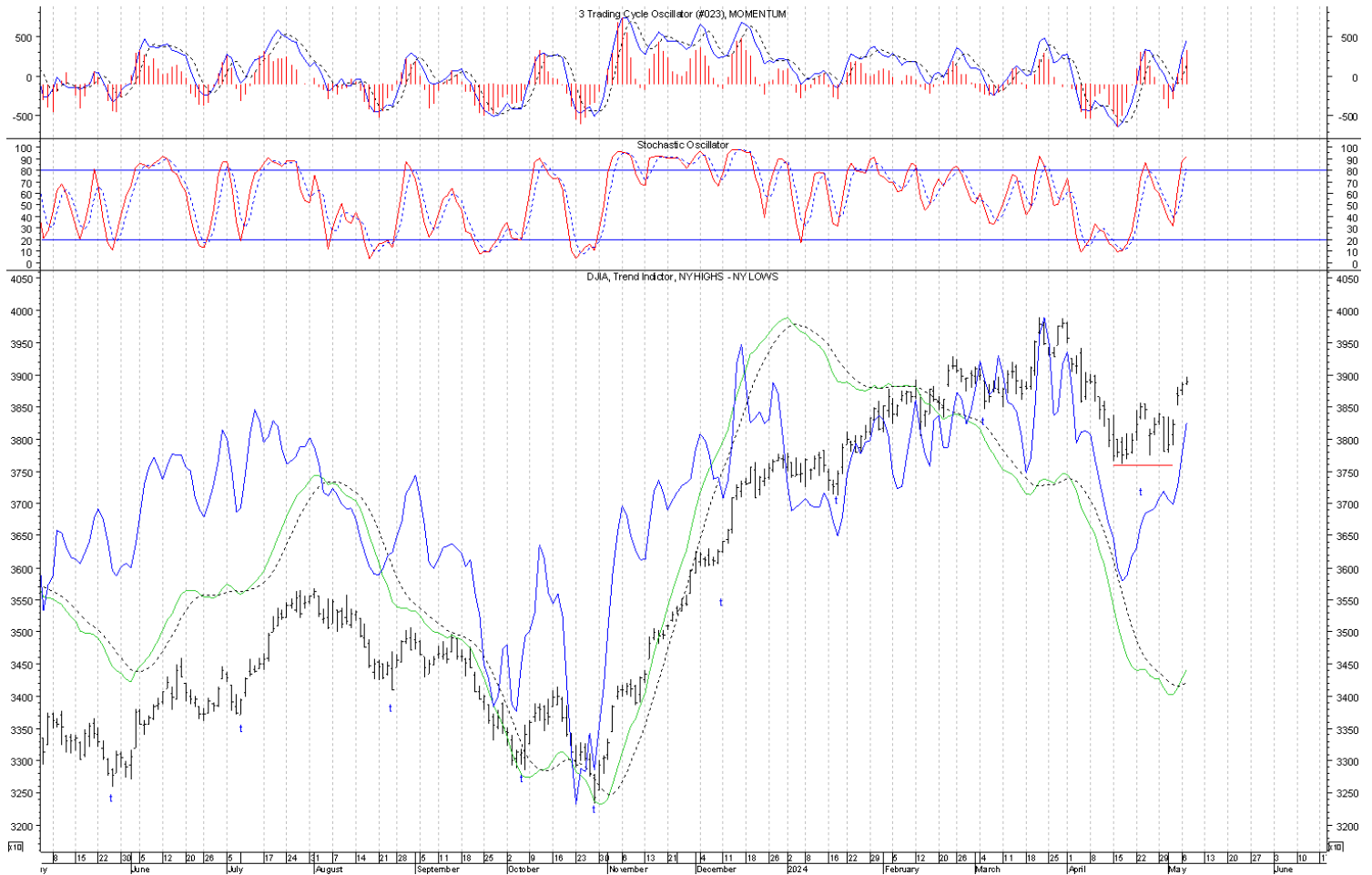
The advance out of the April 17th trading cycle low remains intact and will continue to do so until a daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen. With the upturn of the weekly CTI thus far this week, the evidence continues to be increasingly suggestive of the intermediate-term cycle low having been seen as well. If we close the week with this upturn of the weekly CTI still place, an intermediate-term buy signal will be triggered. In the short-term, Tuesday concluded the 14th trading day of the current trading cycle and the oscillator picture has ripened for a top. Knowing that the less dominant half-trading cycle averages some 19 trading days, any weakness at this point should be in association with the half-trading cycle top and what should be a counter-trend decline into the half-trading cycle low, followed by continued strength into the trading cycle top. More on this all as it develops. For now, the short-term buy signal in association with the April 17th trading cycle low remains intact and the assumption continues to be that the intermediate-term cycle low has been seen.

The ongoing short-term sell signal on Crude Oil remains intact and the continued weakness continues to be reflective of the decline out of the higher degree intermediate-term cycle top. With a monthly swing high also in the making, this intermediate-term cycle top has to be assumed to have also been in conjunction with the higher degree seasonal cycle top as well. The short-term sell signal on Gasoline also remains intact and as with Crude Oil, every indication is that we have the intermediate-term and possibly the seasonal cycle top in place here as well. The April 29th short-term buy signal on Natural Gas remains intact and will continue to do so 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 and the continued strength on Monday triggered a short-term buy signal. However, because of last week's weekly swing high and triggering of an intermediate-term sell signal, this advance should ideally prove to be counter-trend. Gold triggered a short-term buy signal on Monday, but this should ideally prove to be a counter-trend advance with respect to the April 26th daily swing high. Otherwise, the trading cycle low will prove to have been seen on May 3rd rather than April 23rd. The XAU completed the formation of a daily swing low on Friday and with the continued advance on Monday, a short-term buy signal was triggered. Here too, this advance should ideally be counter-trend and serves as the structural test of the trading cycle top. The Dollar completed the formation of a daily swing low on Monday and ideally the trading cycle low should still lie ahead. However, but any further strength that turns the daily CTI up will trigger a short-term buy signal in association with what we will have to assume to have been a slightly early trading cycle low. The advance out of the April 25th trading and suspected intermediate-term cycle low on Bonds remains intact. Continued strength that carries this trading cycle up in association with a right-translated structure will serve as additional confirmation of the suspected intermediate-term cycle low.

The Intermediate-Term Advancing Issues Line, plotted in red, ticked down on Tuesday, but there is no indication of the advance out of the April 17th trading cycle low having run its course at this point. 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 final confirmation of the intermediate-term cycle low having been seen.

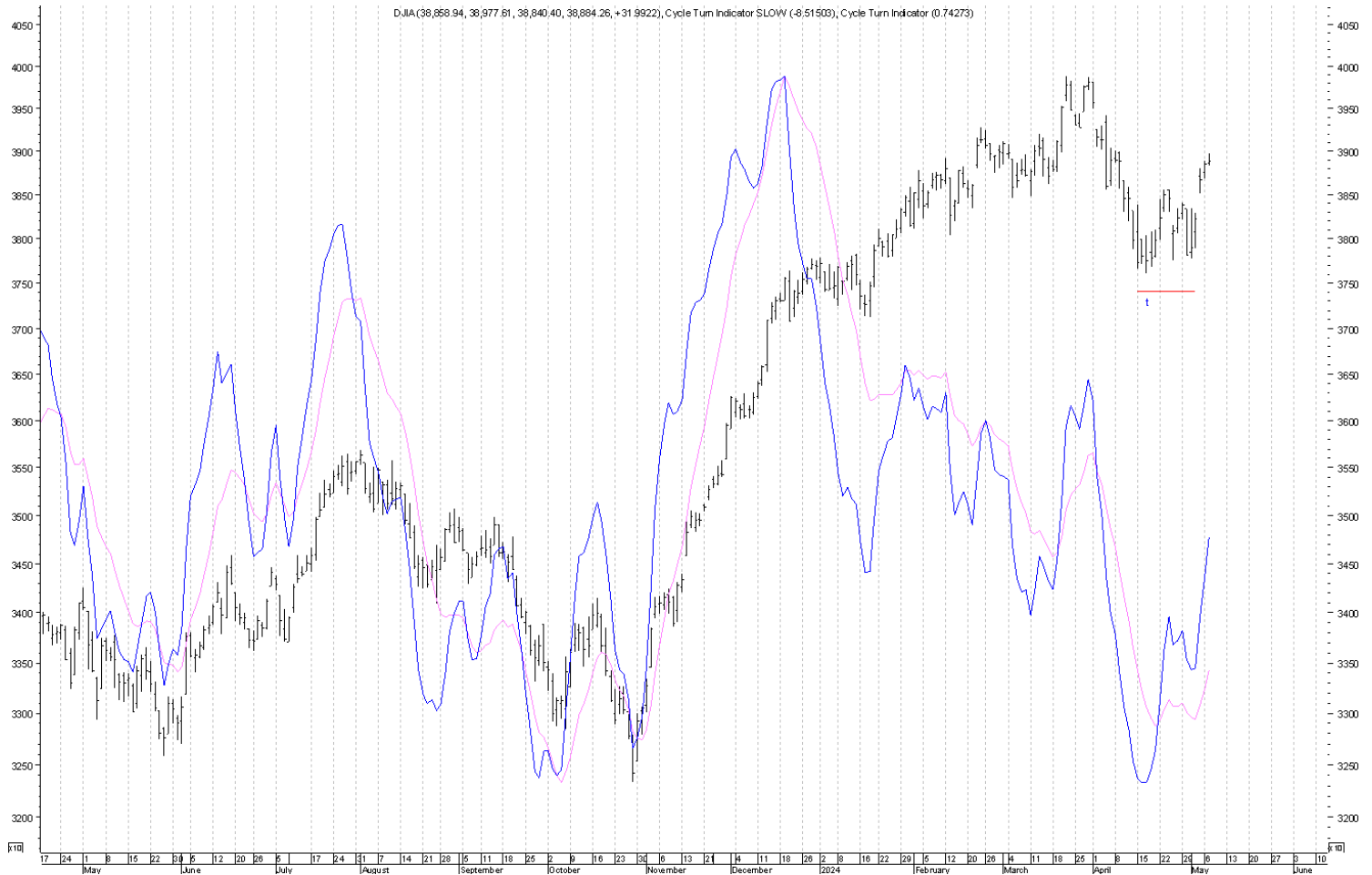


The **Trading Cycle Oscillator** in the upper window continues its upturn as does the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window also continues its upturn and has once again moved into overbought territory. While these oscillators remain positive, the oscillator picture has also ripened for a top, which again, any such weakness should be in association with the less dominant half-trading cycle top. The **New High/New Low Differential**, plotted with price, remains positive. The **Trend Indicator** has turned back above its trigger line, which in doing so is reflective of not only the trading cycle low, but also what should be the higher degree intermediate-term cycle low as well.

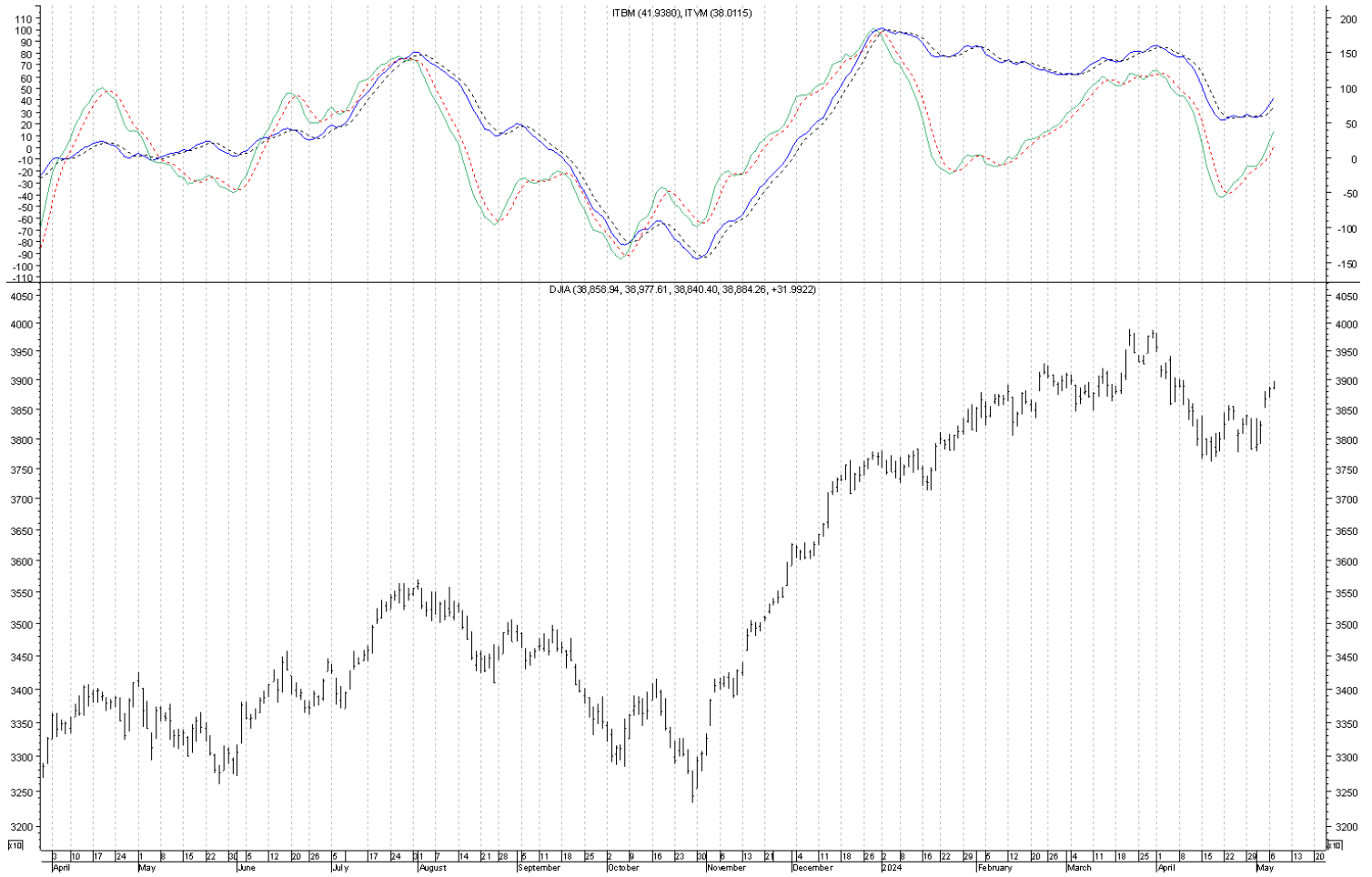


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

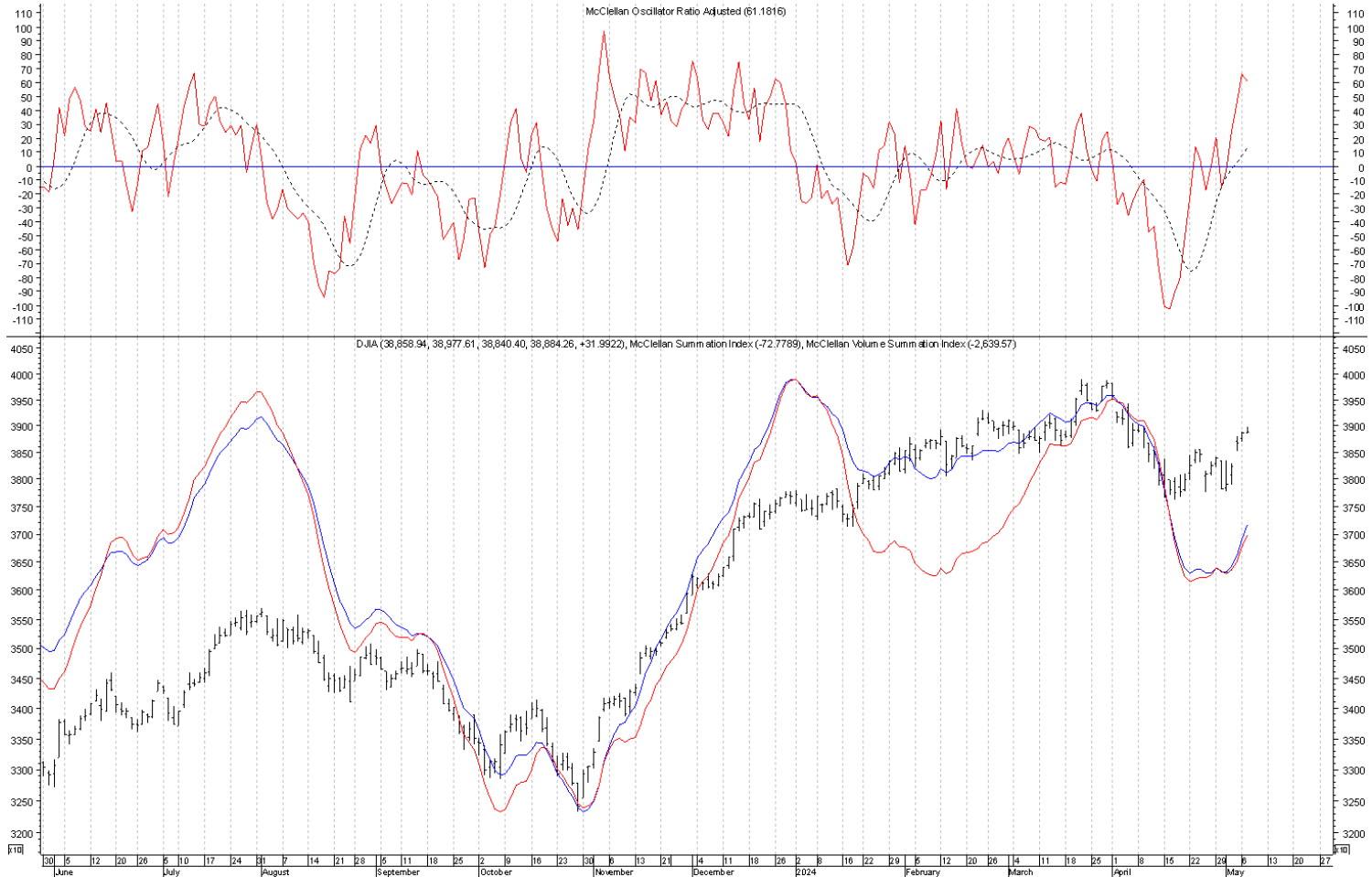
Bottom line, the trading cycle low was seen on April 17th and the short-term buy signal in association with this low will remain intact until another daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen. A daily swing high will be completed on the Industrials on Wednesday if 38,977.61 is not bettered and if 38,840.40 is violated.



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



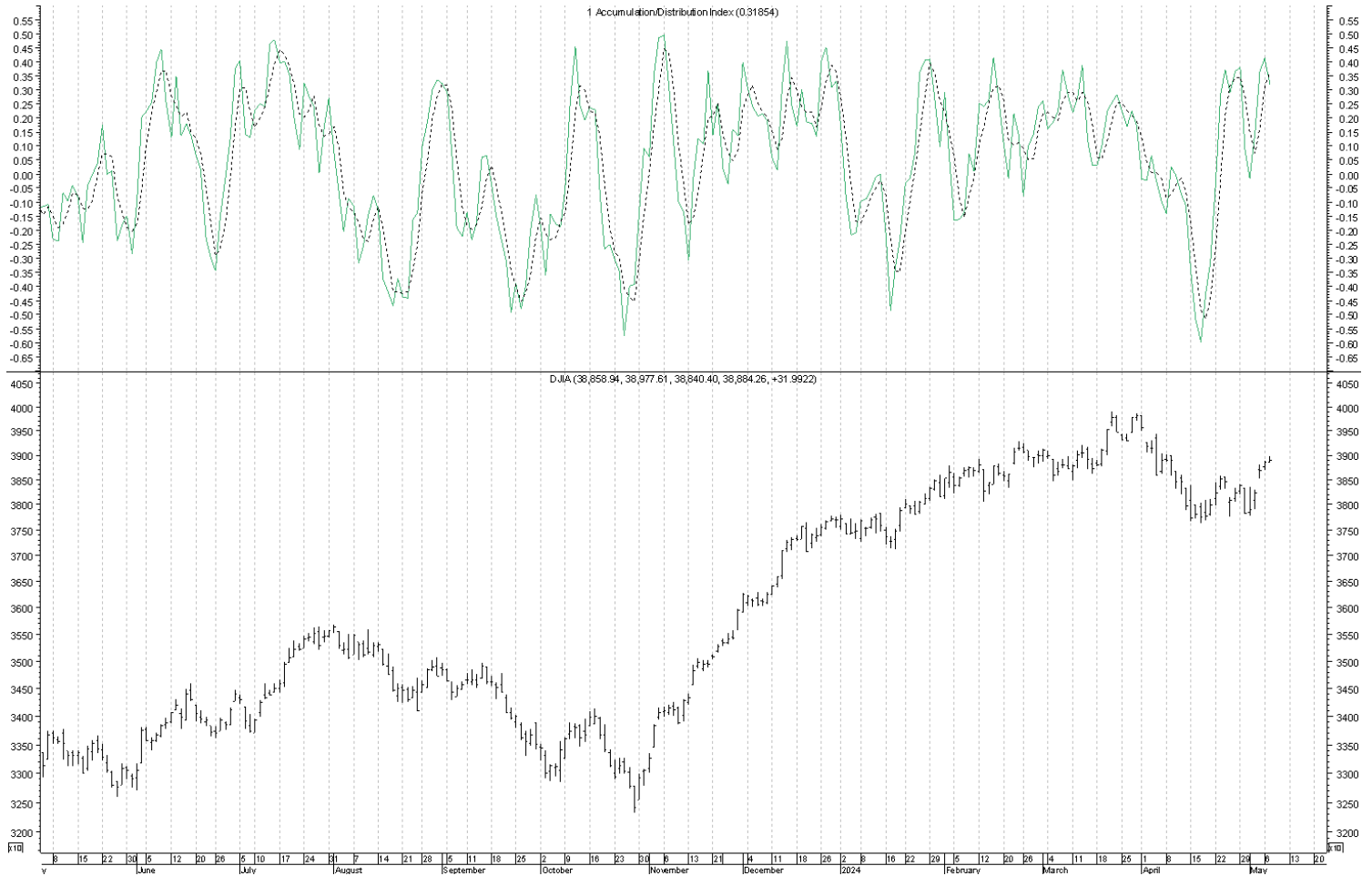
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their upturns as well and in doing so the price/oscillator picture here continues to be reflective of the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window ticked down on Tuesday, but remains well above its trigger line. Therefore, this indicator remains positive as we use it. Here too, the overall 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. Until a downturn below the trigger line is seen, there is no indication of the trading cycle advance having run its course.



The **Accumulation/Distribution Index** turned back down on Tuesday. In doing so, this indicator is now hinting of the less dominant half-trading cycle top, which we will have to assume to be in place once a daily swing high is seen. But, overall, higher prices in association with the advance out of the April 17th trading and intermediate-term cycle lows are expected.



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
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Daily Indicator Summary **Short-Term Buy**

Primary Indicators

Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish

Confirming Indicators

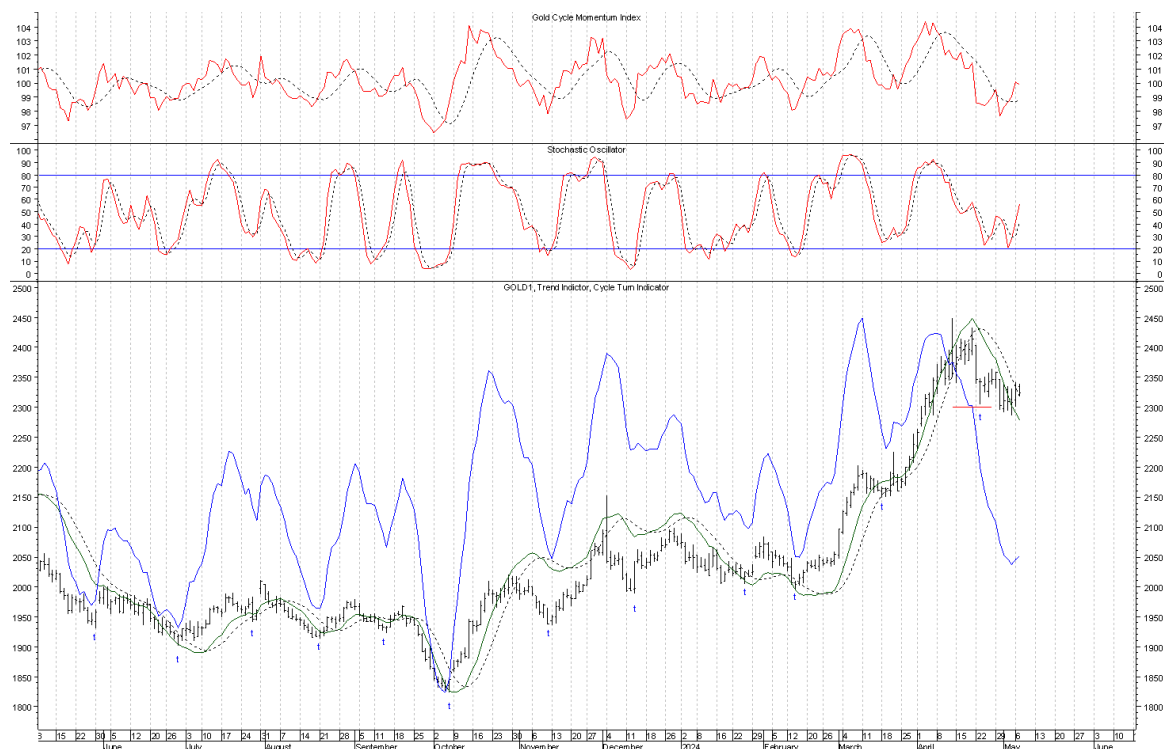
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish

Secondary Short Term Indicators

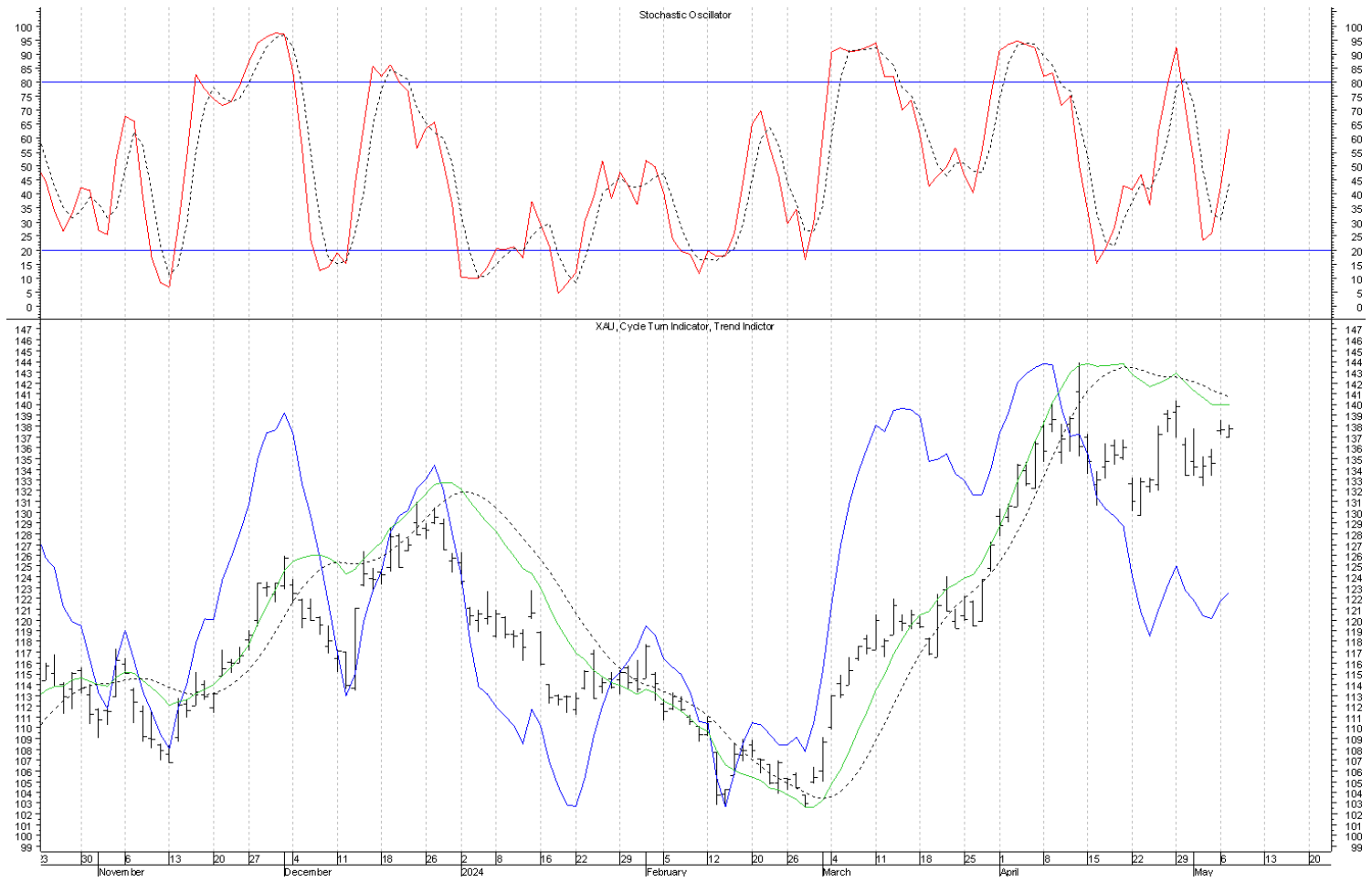
5 3 3 Stochastic	Bullish
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The timing band for the recent trading cycle low ran between April 12th and April 26th. With the completion of a daily swing low on April 24th and the price action that followed into the April 26th daily swing high, while a short-term buy signal was not triggered, every indication continues to be that the trading cycle low was seen on April 23rd. Per the weekend update, we knew that the oscillator picture was suggestive of a bounce and per the parameters given in the weekend update, the price action on Monday completed the formation of a daily swing low. With the upturn of the daily **CTI** a short-term buy signal was triggered. Given the evidence of the April 23rd daily swing low having marked the trading cycle low, this buy signal should prove to be counter-trend with respect to the April 26th daily swing high. To the contrary, any further advance that carries price above the April 26th daily swing high will dictate that the trading cycle ran long with the

low having been seen in conjunction with the May 3rd daily swing low rather than the April 23rd daily swing low. Monday's short-term buy signal will remain intact until another daily swing high and downturn of the daily **CTI** are seen. Another daily swing high will be completed on Wednesday if 2,341.90 is not bettered and if 2,300.60 is violated.



Our daily chart of the XAU is next and in this case it is clear that the trading cycle low was seen on April 23rd. The price action on Friday completed the formation of a daily swing low and with the continued advance on Monday, a short-term buy signal was triggered. Here too, this advance should ideally be counter-trend, but nonetheless serves as the structural test of the trading cycle top. On Tuesday the XAU completed the formation of a daily swing high and any further weakness that turns the daily CTI down will trigger a short-term sell signal in association with what should ideally cap this counter-trend advance. Another daily swing low will be completed on Wednesday if 136.93 holds and if 138.16 is bettered.



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
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Daily Indicator Summary **Short-Term Sell**

Primary Indicators

Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish

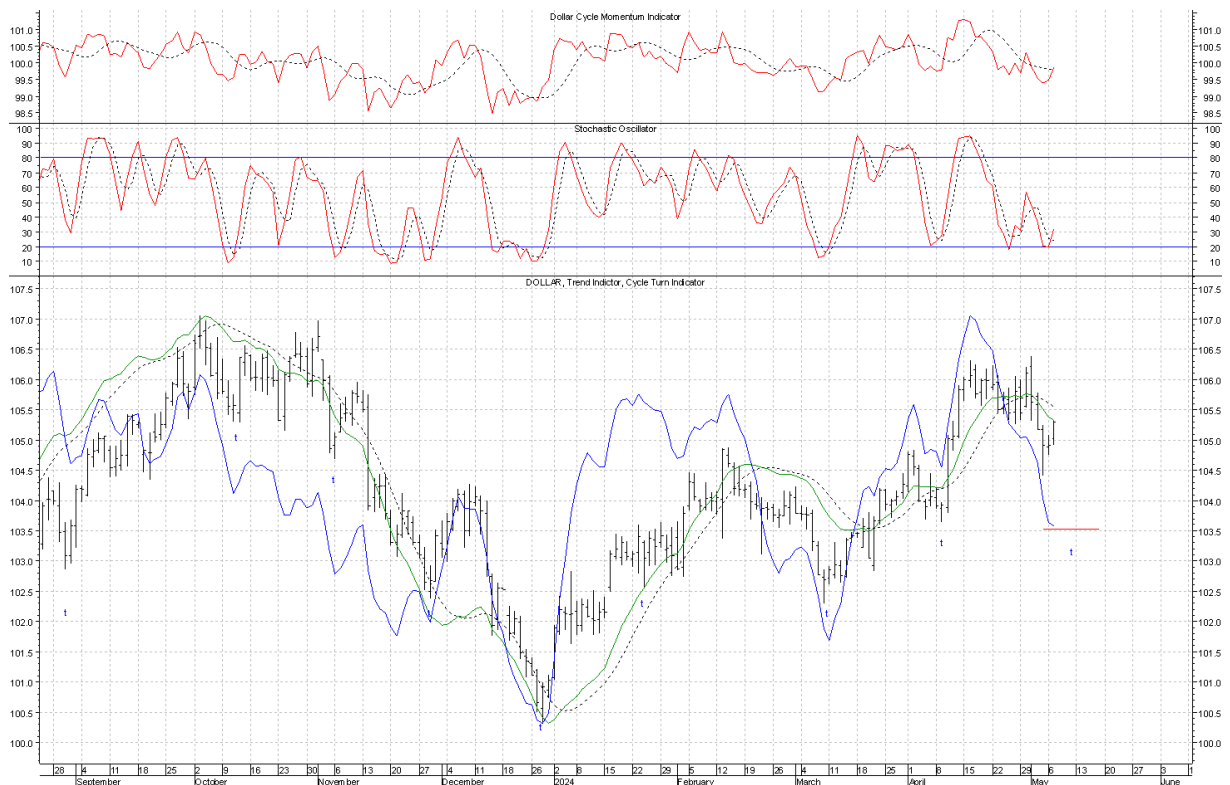
Confirming Indicators

Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish

Secondary Indicators

5 3 3 Stochastic	Bullish
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The timing band for the current trading cycle low runs between May 5th and May 17th. Ideally, I would still like to see continued weakness into this low, but with the completion of a daily swing low on Tuesday, it is possible the trading cycle low was seen slightly early on May 3rd. The oscillator picture is certainly ripe for this low and any continued advance that turns the daily **CTI** up will trigger a short-term buy signal in conjunction with what we will have to assume to be the trading cycle low. Otherwise, any further weakness should be in association with an additional push down into this now due low. A daily swing high will be completed on Wednesday if 105.33 is not bettered and if 104.92 is violated.

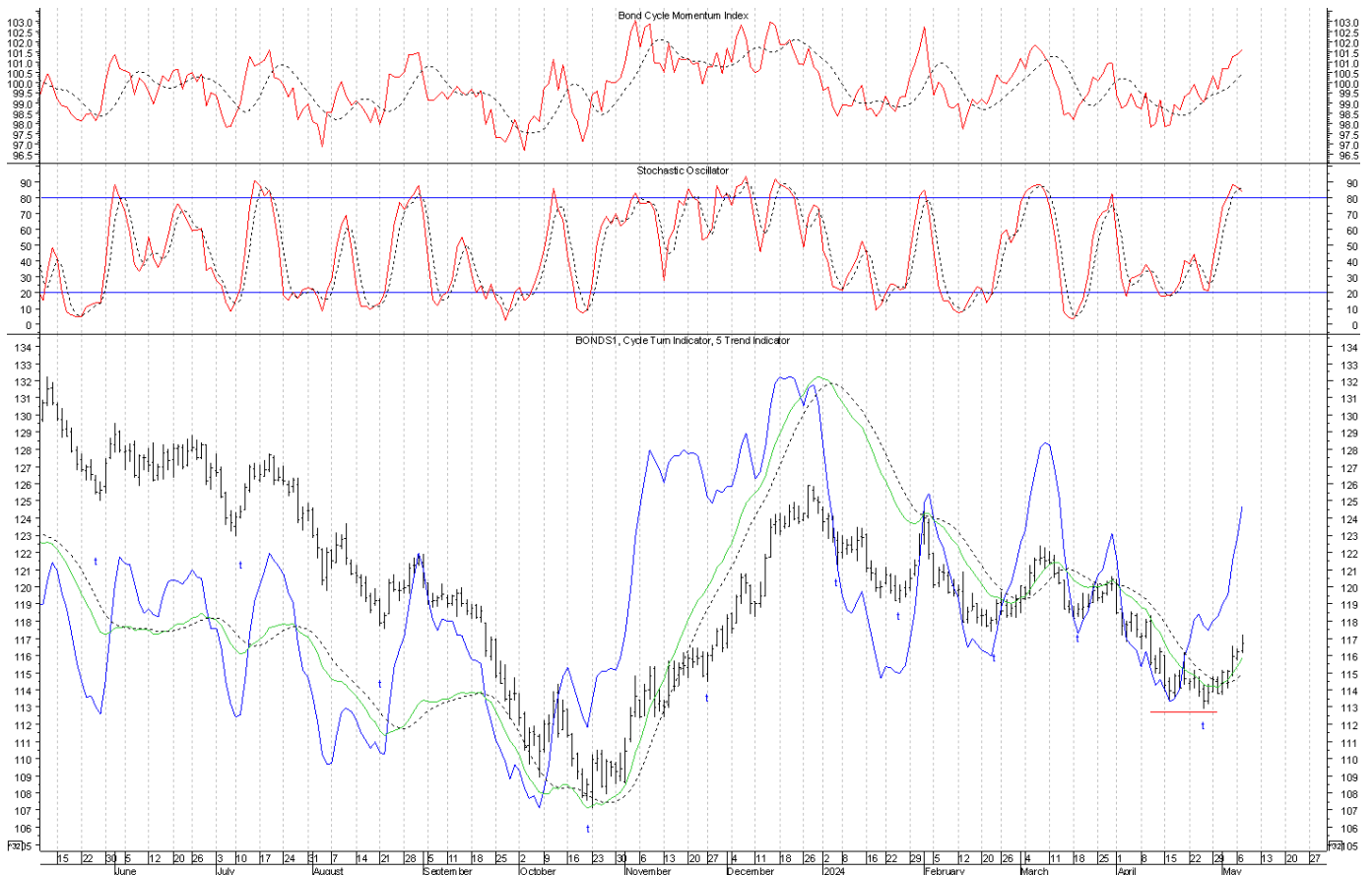


Bonds

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

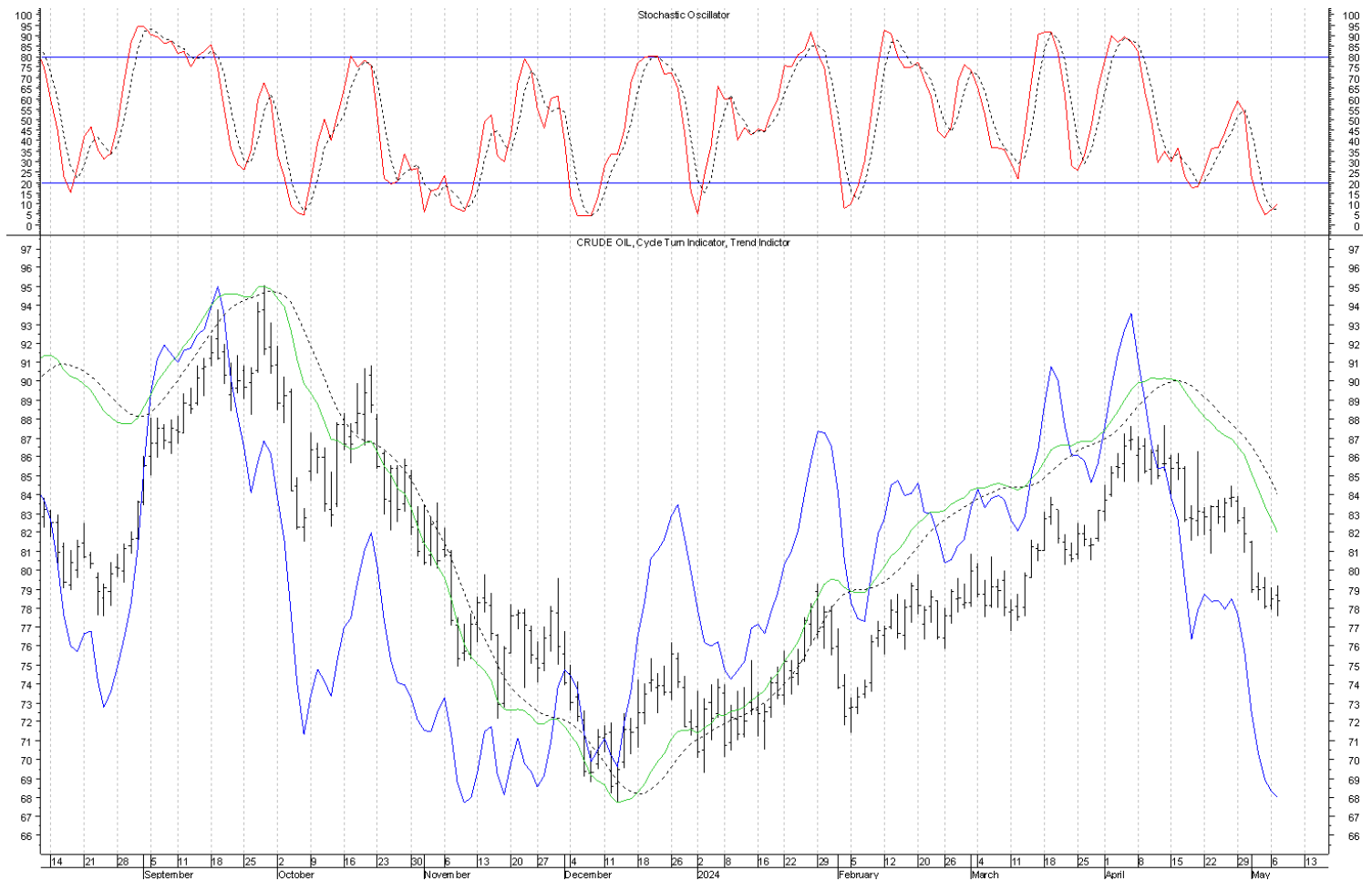
Daily Indicator Summary Short-Term Buy	
Primary Indicators	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bearish

The trading cycle low was seen on April 25th. Every indication is that this low also coincided with the higher degree intermediate-term cycle low and a right-translated trading cycle advance will now serve as final confirmation of this higher degree cycle low. In the short-term, this trading cycle advance has carried price to overbought levels, making conditions ripe for a top. Given the expectation of the intermediate-term cycle low having been seen, any weakness at this juncture should prove to be counter-trend and followed by continued strength in association with the higher degree intermediate-term cycle low. Otherwise, something else is going on.



Crude Oil

Still no change with Crude Oil at this level. The April 26th short-term sell signal and decline out of the left-translated trading cycle top remains intact. This short-term sell signal has carried price to oversold levels, per the 5 3 3 Stochastic, which as a result makes conditions ripe for a bounce. But, given the higher degree cycle top, any bounce at this juncture is expected to be a counter trend retest of the intermediate-term cycle top and followed by continued weakness. For now, 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 Wednesday if 77.55 holds and if 79.17 is bettered.



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