

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 14, 2024

Market	Daily CTI	Daily Swing	Weekly CTI	Weekly Swing
Industrial	Positive	High	Positive	Low
Transports	Neutral	Low	Positive	Low
NDX	Positive	Low	Positive	Low
S&P Inverse Fund	Negative	N/A	Negative	High
CRB Index	Negative	High	Negative	High
Gold	Positive	High	Negative	Low
XAU	Negative	High	Positive	Low
Dollar	Positive	High	Negative	Low
Bonds	Negative	High	Positive	Low
Crude Oil	Positive	High	Negative	High
Unleaded	Negative	High	Negative	High
Natural Gas	Negative	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 14, 2024

Stocks

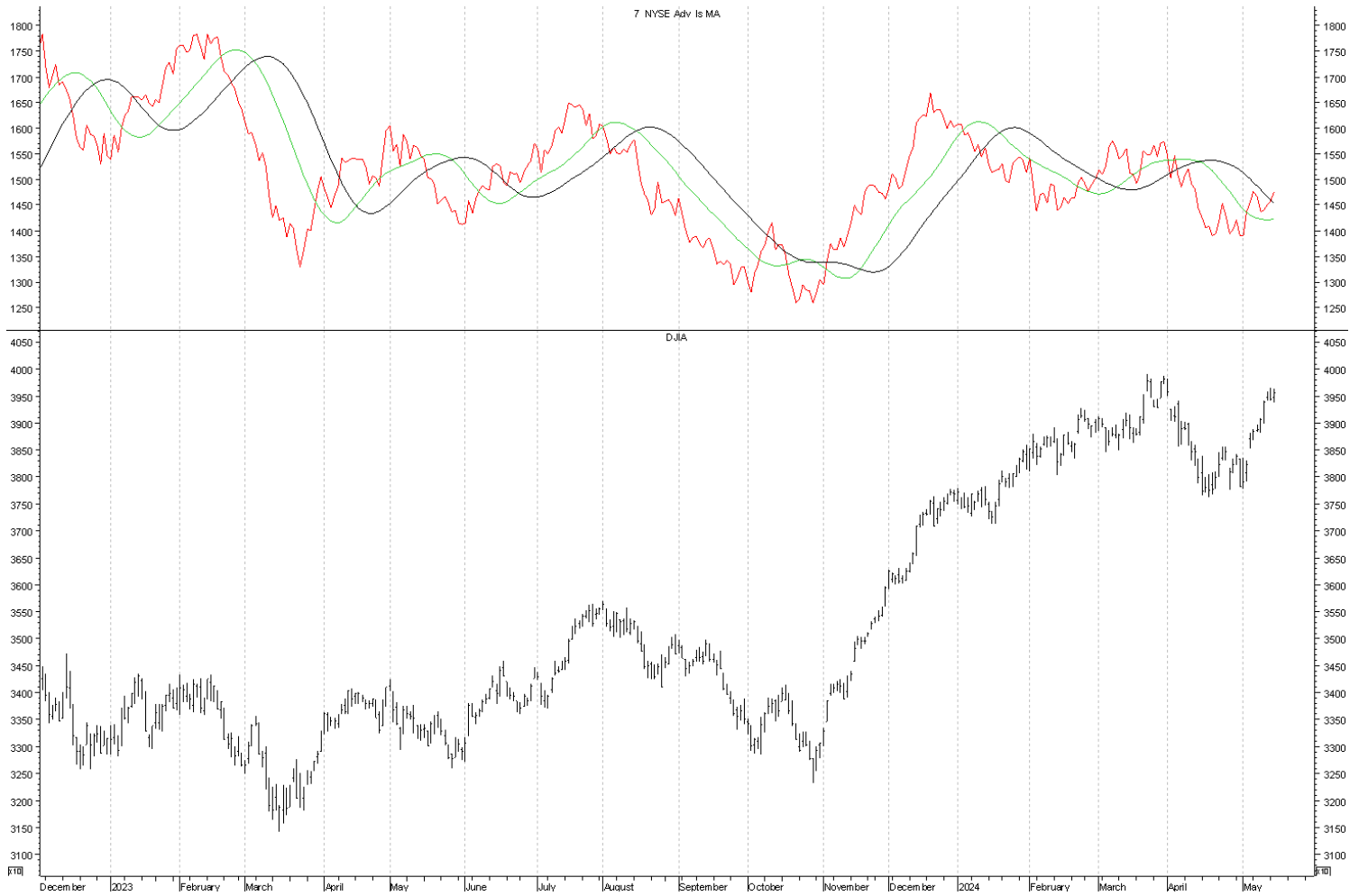
End of Week Intermediate-Term Indicator Summary Intermediate-Term Buy	
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
CTI on Rydex Tempest Fund *	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Advance/Decline Issues Diff	Bearish
New High New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

Daily Indicator Summary Short-Term Buy	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bullish
Slow Cycle Turn Indicator (CTI)	Bullish
New High/New Low Differential	Bearish
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	Bearish
Cycle Momentum Indicator	Bearish
Trading Cycle Oscillator	Bearish
Momentum Indicator	Bullish
Ratio Adjusted McClellan Oscillator Crossover	Bearish
Accumulation/Distribution Index	Bearish

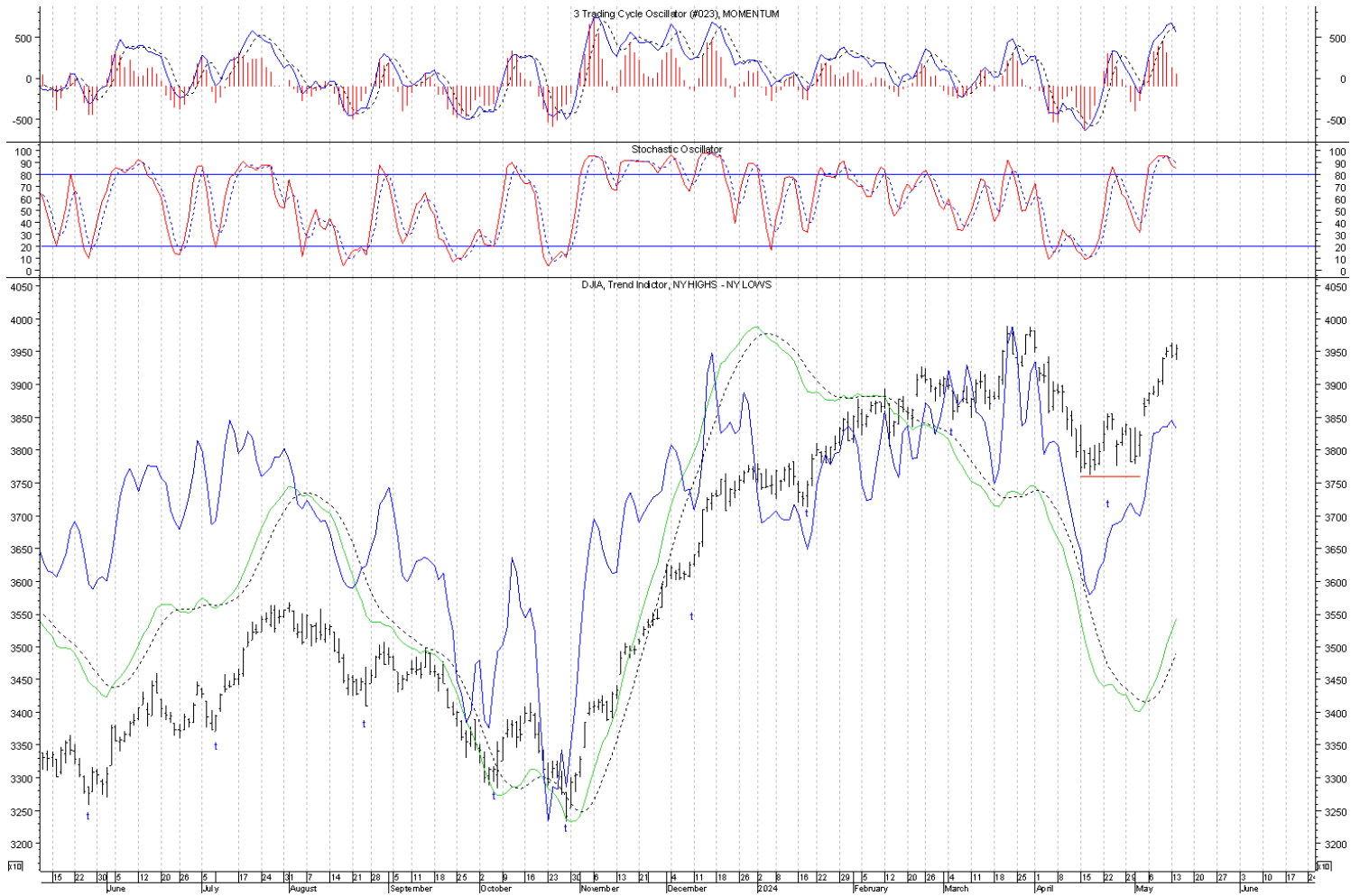
The price action on Tuesday completed the formation of a daily swing high and with Tuesday concluding the 19th trading day of the trading cycle, conditions are certainly ripe for the less dominant half-trading cycle top. However, because of the reversal off the low and with only One of the Three Primary Short-Term Indicators having turned down, the short-term buy signal and advance out of the April 17th trading cycle low on the Industrials remains intact. Any weakness that follows in the wake of Tuesday's completion of a daily swing high should be in association with the decline into the less dominant half-trading cycle low, whereas any additional strength will keep this trading cycle advance intact. In the event we see a pull back here in association with the less dominant half-trading cycle, the expectation is for it to be counter-trend and followed by further strength as we move up into the trading cycle top. More on this all once a short-term sell signal is triggered. Until such time, higher prices will remain possible as we continue pressing into the next trading cycle top.

Crude Oil completed the formation of a daily swing high on Monday and with the downturn of the daily CTI, a short-term sell signal was triggered. But, because of the reversal off the low on Monday we need to see a close below Monday's low as confirmation of this sell signal. At a higher level, with a monthly swing high in the making, the intermediate-term cycle top has to be assumed to have also been seen in conjunction with the higher degree seasonal cycle top. A short-term buy signal was triggered on Gasoline last Thursday, but as with Crude Oil, the expectation was for it to be counter-trend and in light of the reversal lower on Friday, the evidence was suggestive of last week's advance having run its course. On Monday the daily CTI turned back down and with the continued decline on Tuesday, last Thursday's completion of a daily swing low did in fact prove to be counter-trend, leaving Gasoline positioned to continue lower in association with the higher degree cycle top/s. 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 high on Friday and with the additional decline on Monday turning the daily CTI down, a short-term sell signal was triggered. Because of the May 3rd completion of a weekly swing high and triggering of an intermediate-term sell signal, the expectation has been for this advance to be counter-trend and with the triggering of this short-term sell signal we have to assume the advance to have run its course. The trading cycle low in Gold was seen on May 3rd rather than April 23rd and now with the completion of a daily swing high on Monday, Gold is at risk of this trading cycle advance having run its course. Any further weakness that yields a close below Monday's low in conjunction with a downturn of the daily CTI will trigger a short-term sell signal, which will in turn be suggestive of a left-translated trading cycle top having been seen. On Monday the XAU triggered a short-term sell signal and ideally the trading cycle top should be in place. Any further weakness that yields a close below Monday's low will be suggestive of the trading cycle top having been seen whereas any additional advance should be in association with a retest of the trading cycle top. With the Dollar still within the timing band for the trading cycle low, any additional weakness may be in association with an additional push down into the trading cycle low, but as a result of the May 8th short-term buy signal, the May 10th short-term sell signal continues to leave the Dollar at risk of a left-translated trading cycle top. Until proven otherwise, the assumption continues to be that the trading cycle low was seen on May 3rd, now leaving the Dollar at risk of a left-translated trading cycle top. Bonds remain at risk of the trading cycle top, but we have yet to see confirmation of Thursday's short-term sell signal and with Tuesday's reversal higher, Bonds are positioned for another push up into the trading cycle top.

The Intermediate-Term Advancing Issues Line, plotted in red, has continued its upturn and has now begun to turn the Green MA back up. Now that the May 3rd completion of a weekly swing low has been accompanied by the triggering of an intermediate-term buy signal, another upturn of the Green MA above the Black MA will serve as additional confirmation of the intermediate-term cycle low having been seen.

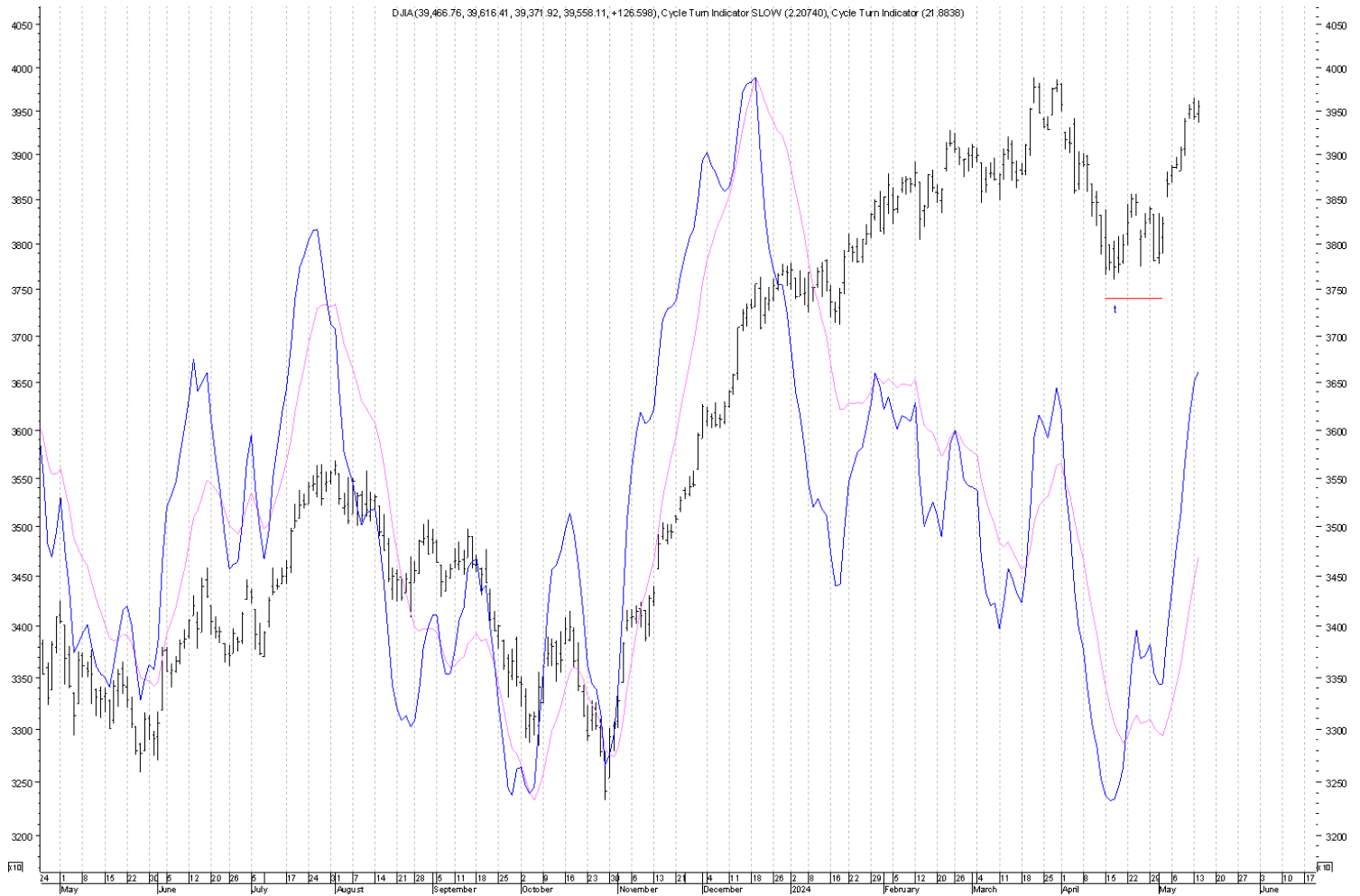


The **Trading Cycle Oscillator** in the upper window has ticked down below its trigger line. The **Momentum Indicator** has also ticked down and is now approaching its zero line. The **5 3 3 Stochastic** in the middle window has now rolled over from overbought levels. Collectively, these oscillators are suggestive of a top, which again should be in association with a counter-trend decline out of the less dominant half-trading cycle top. The **New High/New Low Differential**, plotted with price, has also ticked down. The **Trend Indicator** continues its upturn above the trigger line, which is reflective of both the trading and intermediate-term cycle low.

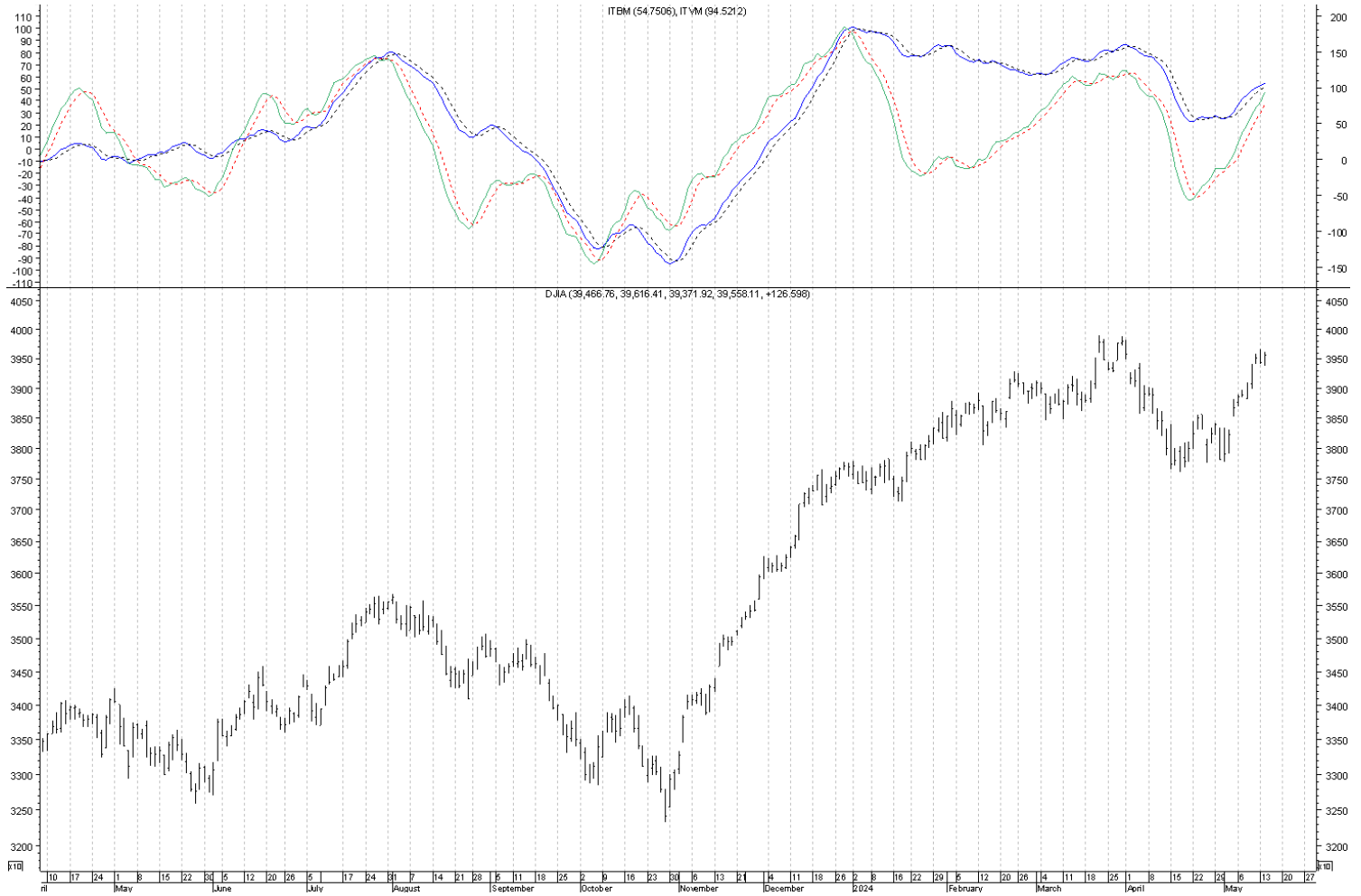


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

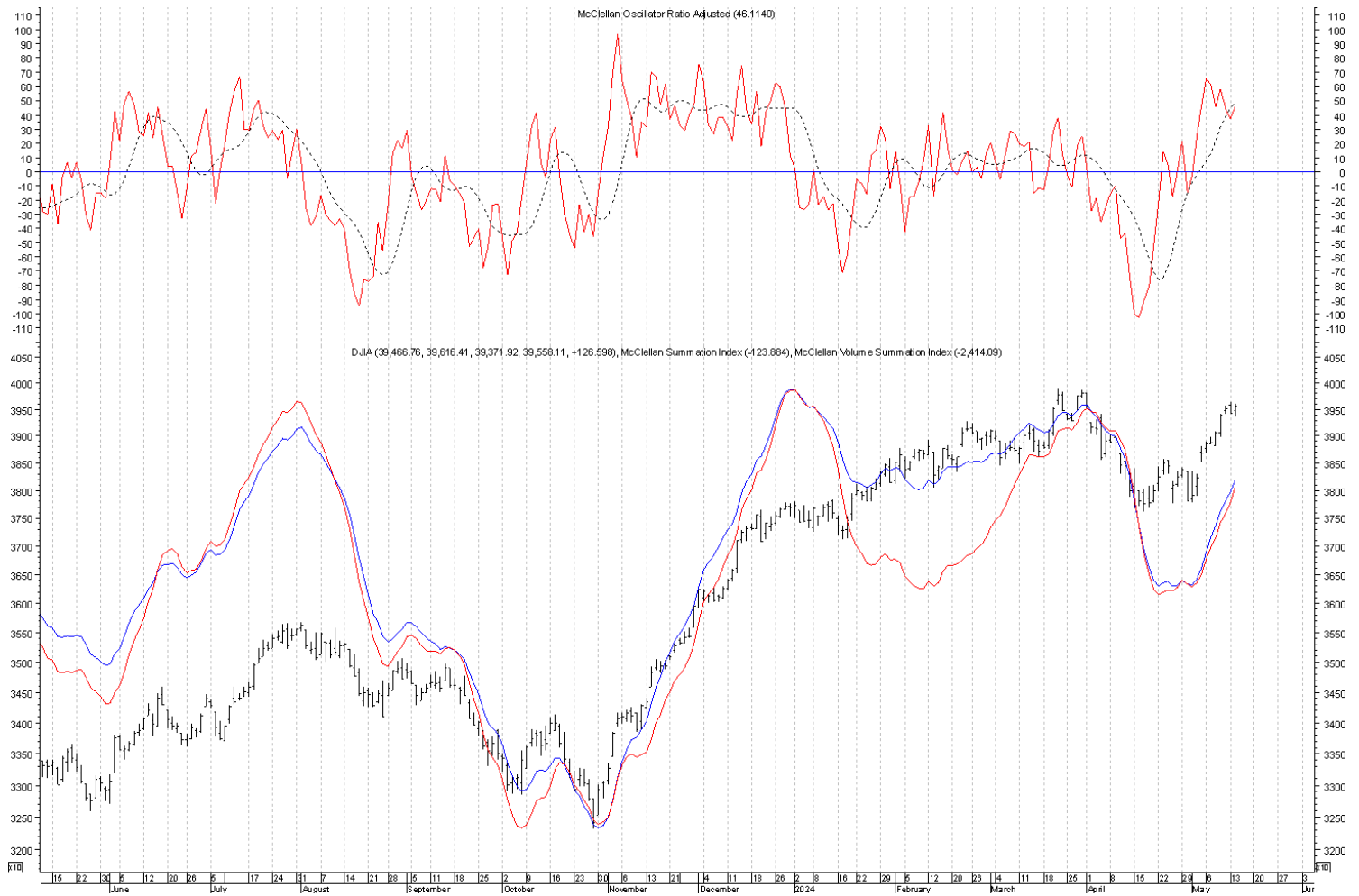
Bottom line, the trading cycle low was seen on April 17th and the short-term buy signal in association with this low will remain intact until both a daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen. Another daily swing low will be completed on Wednesday if 39,371.92 holds and if 39,616.41 is bettered.



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



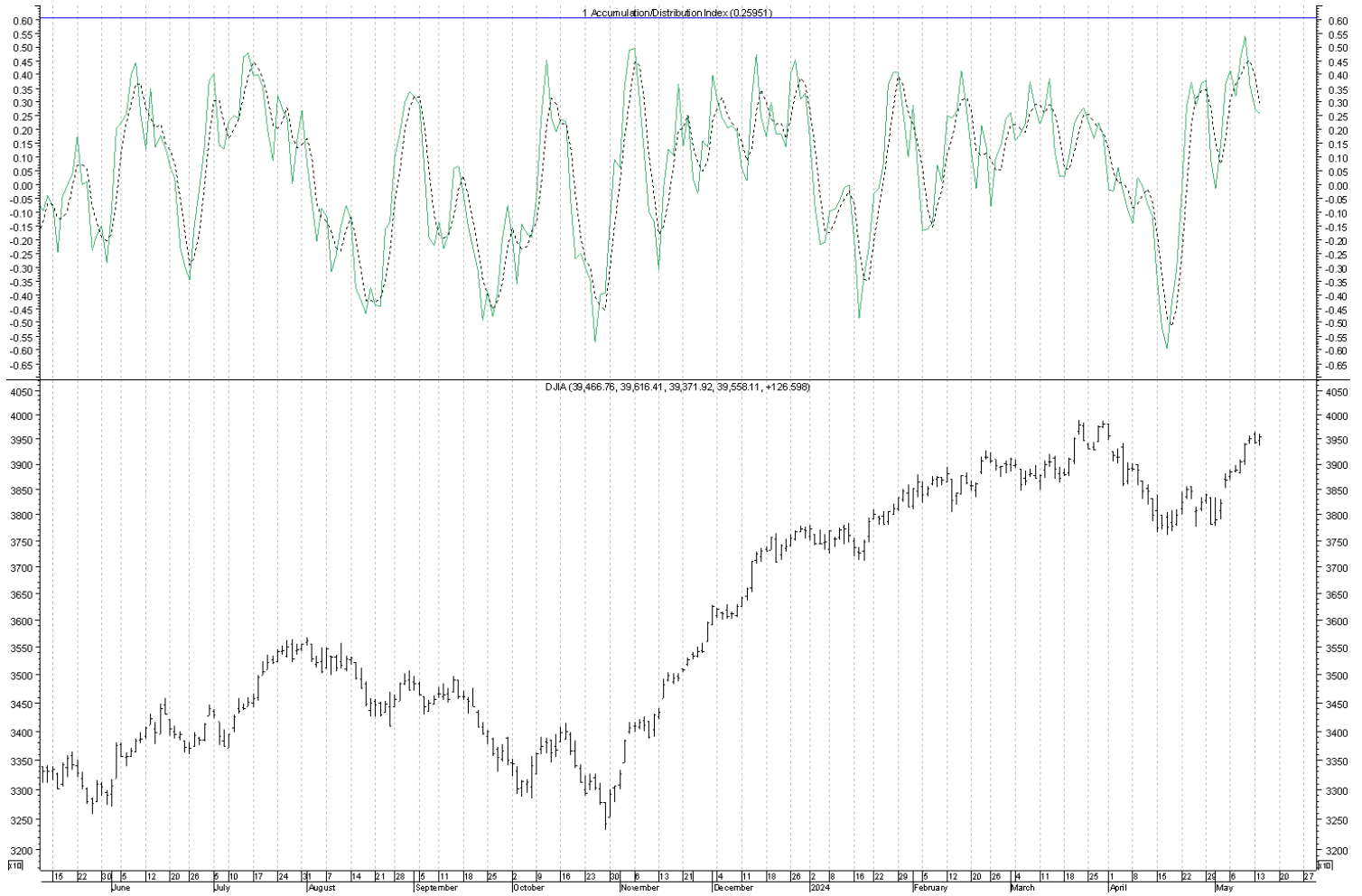
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their upturns as well and in doing so the price/oscillator picture here continues to be reflective of the advance out of the trading and intermediate-term cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window ticked back down on Friday and on Monday crossed below its trigger line. This crossing is also now telegraphing the half-trading cycle top, but until a short-term sell signal is triggered, the ongoing advance into the trading cycle top will remain intact.



The smoothed McClellan oscillator continues its upturn out of the April 17th trading cycle low as well and 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 Friday and that downturn has continued. As stated here last week, this indicator typically leads with the formation of a divergence at tops, which with this ongoing downturn we now seeing. Given the overall price/oscillator picture and cyclical phasing, this divergence should be signaling the half-trading cycle top rather than the trading cycle top with a more meaningful divergence forming as we move forward into the trading cycle top.



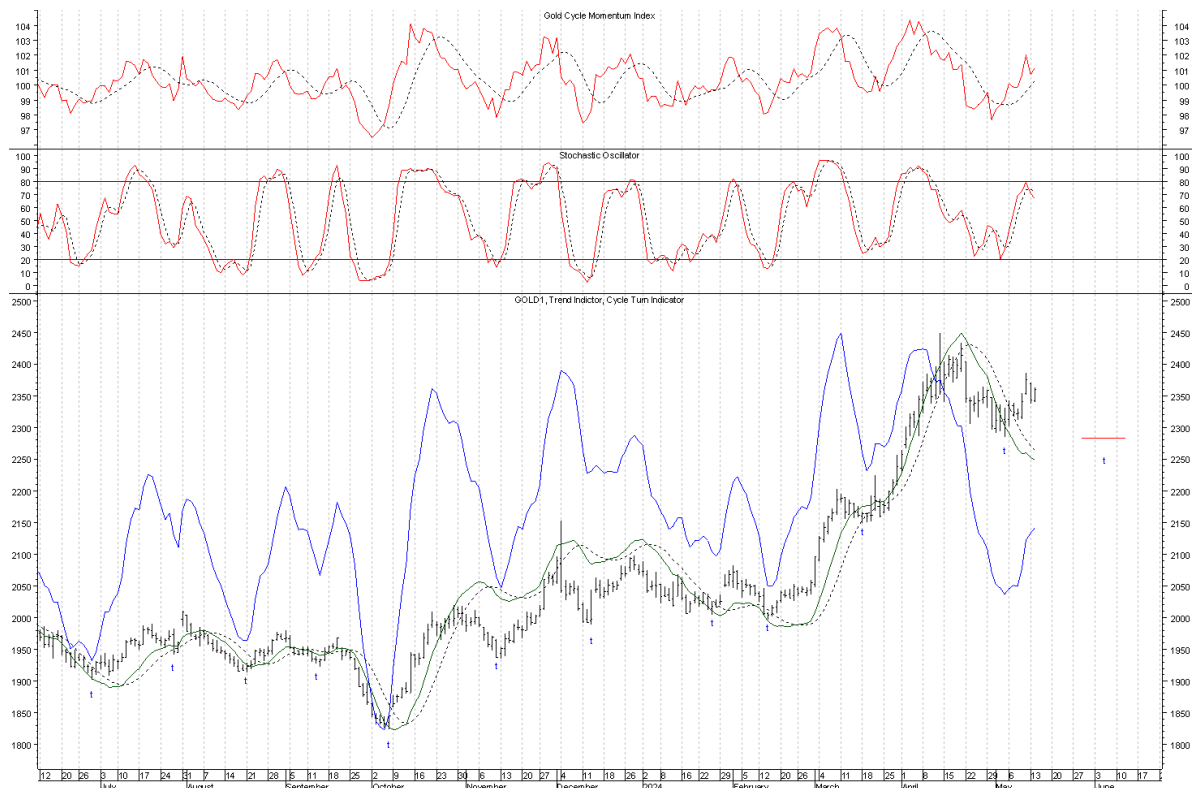
Gold

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

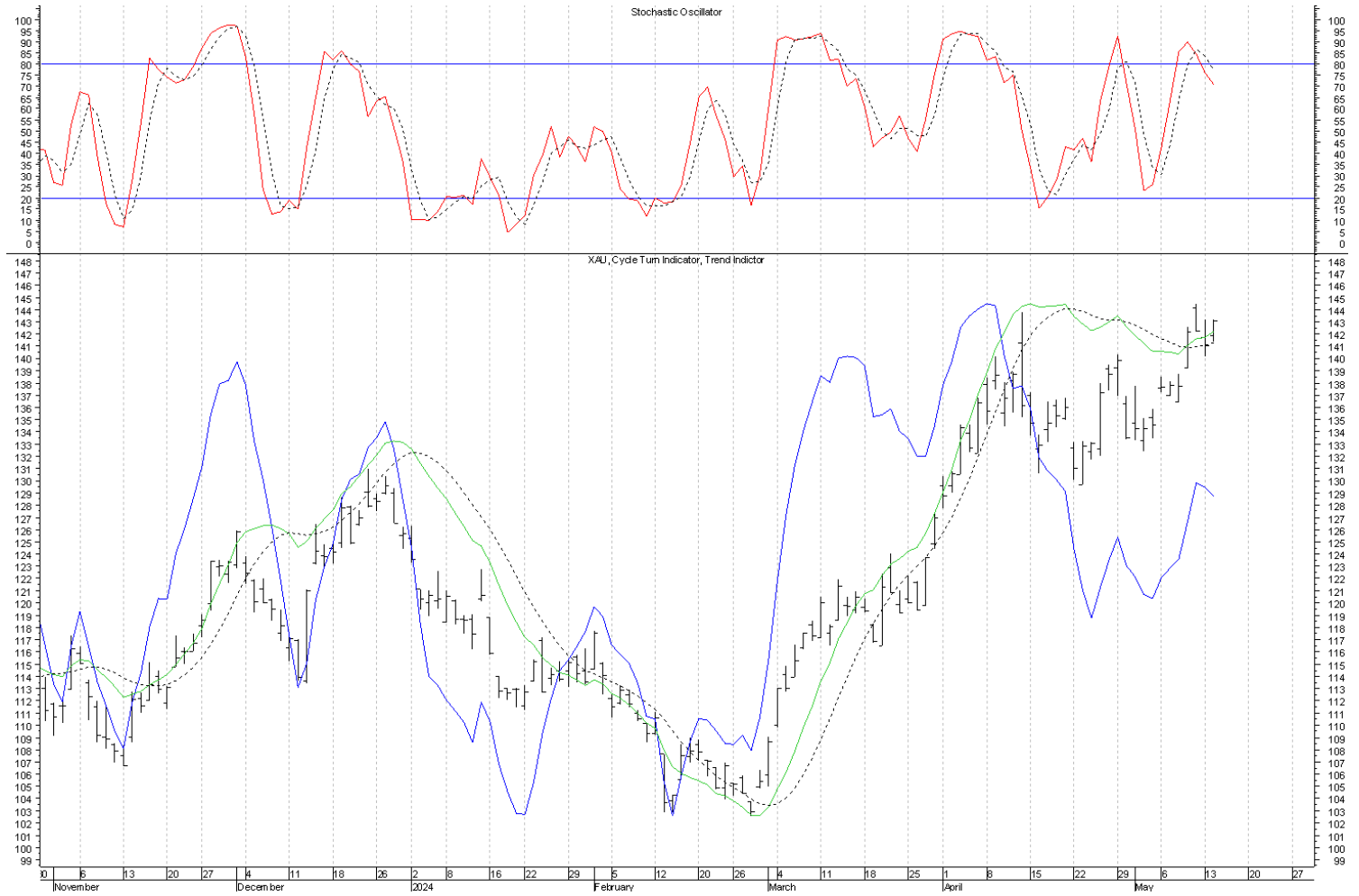
Daily Indicator Summary Short-Term Buy	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bearish

The timing band for the trading cycle low ran between April 12th and April 26th. As discussed last week, this cycle proved to have run a little long with the low having been seen in conjunction with the May 3rd trading cycle low. With the completion of a daily swing high on Monday, this trading cycle advance is now at risk of having run its course. Any further weakness that turns the daily **CTI** down will trigger a short-term sell signal and the assumption will be that the trading cycle top has been seen whereas any additional advance should be in association with a continued push into the trading cycle top. Either way, based on the cyclical phasing, the April 26th intermediate-term sell signal and the accompanying oscillator picture, the current advance out of the trading cycle low should be a counter-trend retest of the intermediate-term cycle top. For now, the May 6th short-term buy signal will remain intact until both a daily swing high AND downturn of the

daily **CTI** are seen. Another daily swing low will be completed on Wednesday if 2,337.60 holds and if 2,370.80 is bettered.



Our daily chart of the XAU is next and the trading cycle low was seen on April 23rd. On Monday the XAU completed the formation of a daily swing high and with the downturn of the daily CTI, a short-term sell signal was triggered. Tuesday was an inside day and any further advance should be in association with a retest of the current trading cycle top whereas any further weakness that yields a close below Monday's low should serve as confirmation of this short-term sell signal as well as the trading cycle top. Another daily swing low will be completed on Wednesday if 140.21 holds and if 143.18 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 High	Bearish
Cycle Turn Indicator (CTI)	Bullish

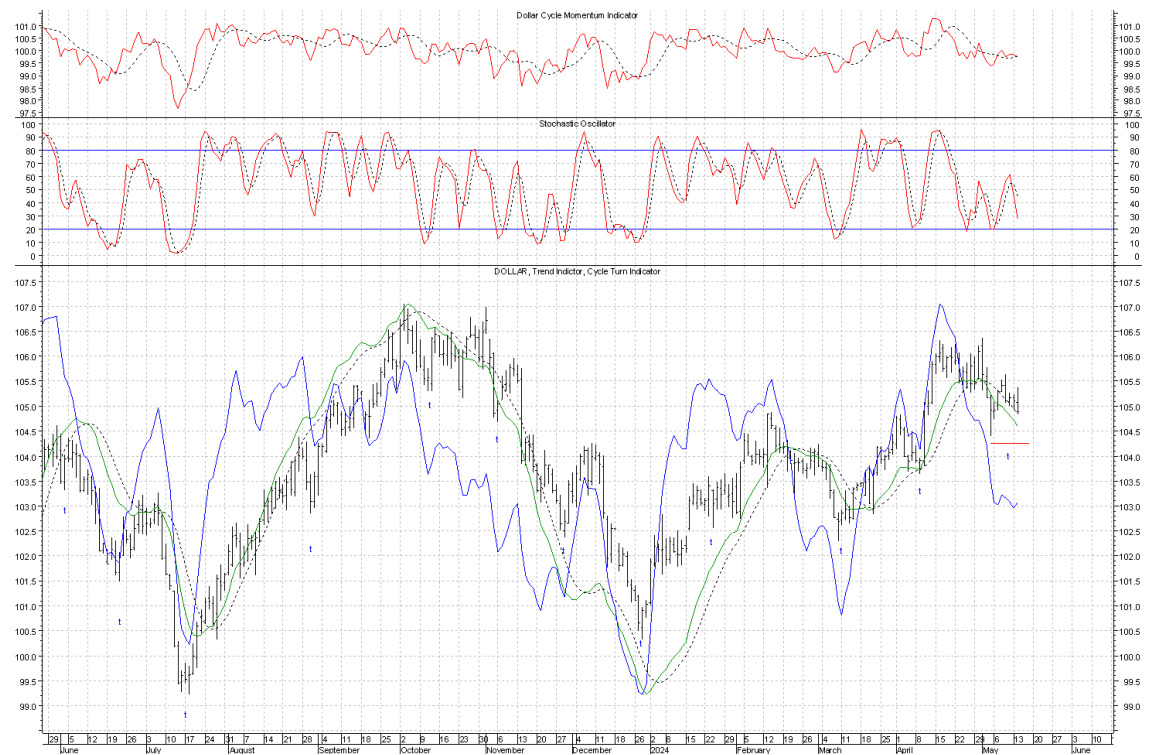
Confirming Indicators

Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish

Secondary Indicators

5 3 3 Stochastic	Bearish
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No change with the Dollar. 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 as previously discussed in the updates last week, with the completion of a daily swing low on May 7th, it is possible the trading cycle low was seen slightly early on May 3rd. As we now move toward the outer portion of the timing band for this low and given the current price/oscillator picture, the evidence is increasingly suggestive of this having been the case. On Tuesday the Dollar once again reversed lower and the short-term sell signal remains intact in spite of the upturn of the daily CTI. With price still within the timing band for this low, any additional weakness may be in association with an additional push down into the trading cycle low, but as a result of the May 8th short-term buy signal, the May 10th short-term sell signal continues to leave the Dollar at risk of a left-translated trading cycle top and until proven otherwise, the assumption continues to be that the trading cycle low was seen on May 3rd. Therefore, any further weakness will put the Dollar at risk of a left-translated trading cycle top. More on this phasing as we move through the remainder of the timing band for this low. Another daily swing low will be completed on Wednesday if 104.83 holds and if 105.38 is bettered.

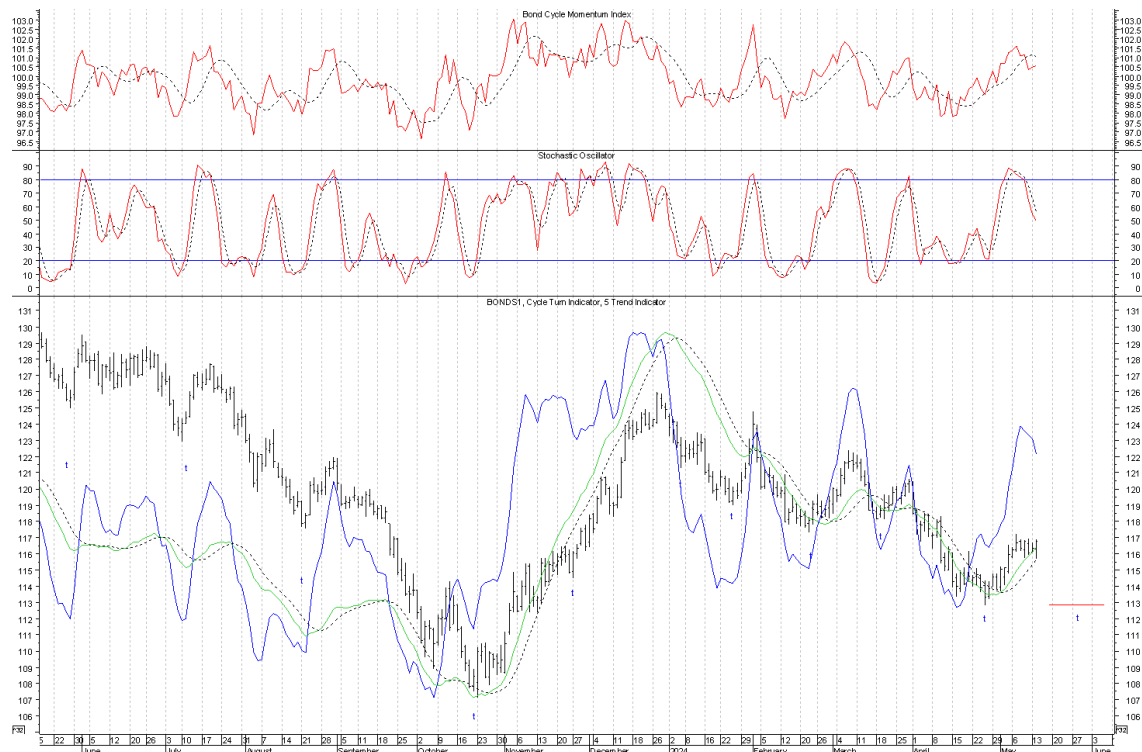


Bonds

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

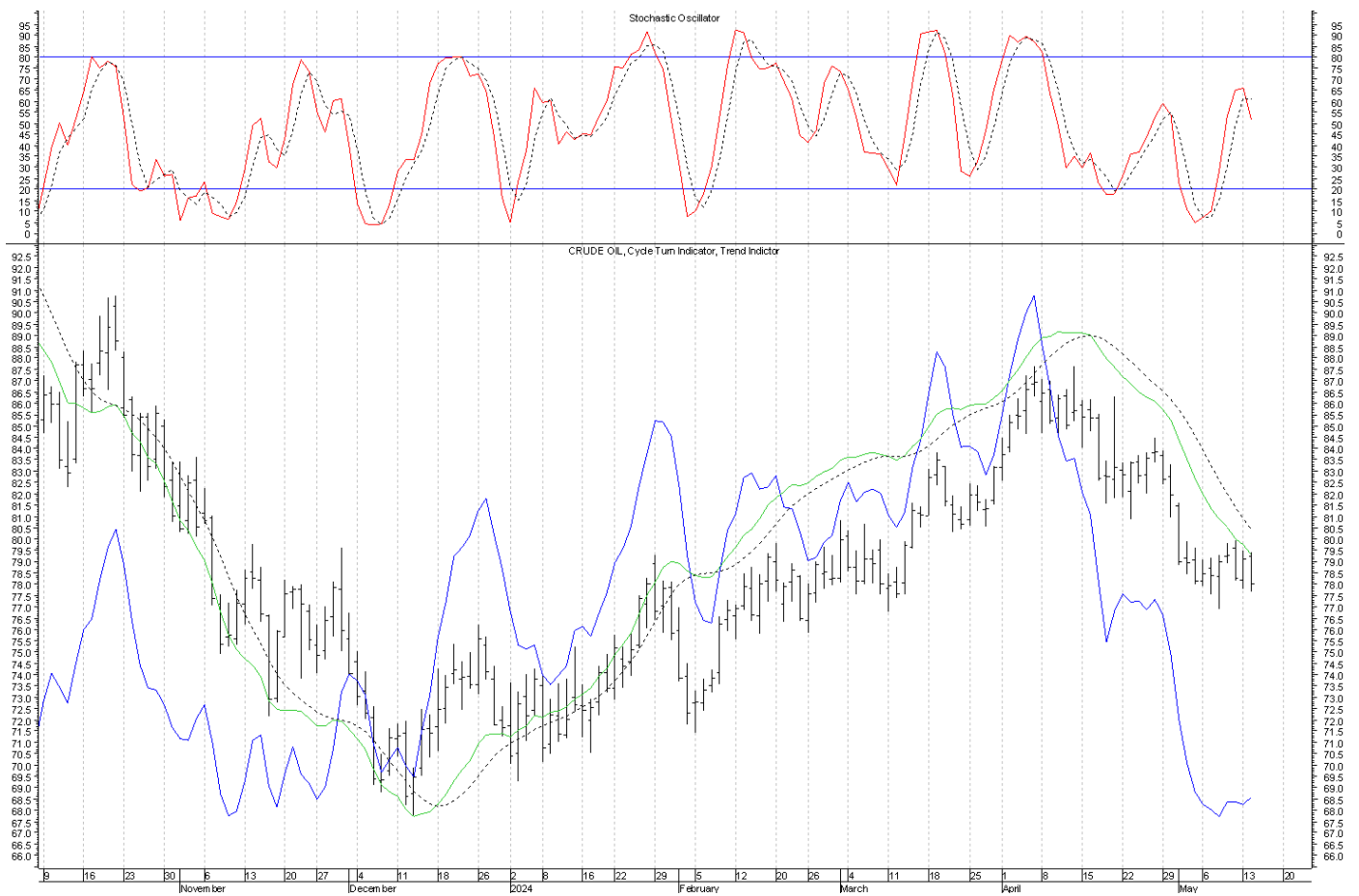
Daily Indicator Summary Short-Term Neutral	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bearish

The trading cycle low was seen on April 25th and the timing band for the next trading cycle low runs between May 17th and June 6th. This trading cycle advance had carried price to overbought levels, making conditions ripe for a top and on Thursday Bonds completed the formation of a daily swing high. With the downturn of the daily CTI a short-term sell signal was triggered, but because of the reversal off the low, I want to see a close below Thursday's low in order to confirm this signal. With the completion of a daily swing low on Friday, this was not seen. Monday was an inside day and on Tuesday Bonds reversed higher, so we have yet to see confirmation of that signal. As discussed in the weekend update, I ideally would like to see another push up into the trading cycle top and in the absence of a close below Thursday's low, along with Tuesday's reversal higher, Bonds are currently positioned for such additional advance. To the contrary, a close at this juncture below Tuesday's low should now serve as confirmation of the trading cycle top. At a higher level, every indication continues to be that the intermediate-term cycle low was seen in conjunction with the April 25th trading cycle low and given the expectation that this was the case, the decline out of the current/pending trading cycle top 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

The expectation was for last Thursday's short-term buy signal to be in association with a counter-trend bounce and that has not changed. Crude Oil completed the formation of a daily swing high on Monday and with the downturn of the daily CTI, a short-term sell signal was triggered. But, because of the reversal off the low on Monday we need to see a close below Monday's low as confirmation of this sell signal. Given the reversal lower on Tuesday and the corresponding price/oscillator picture, Crude Oil is positioned to move lower and every indication is that last week's bounce has run its course. But again, we need to see a close below Monday's low as confirmation of this sell signal. Another daily swing low will be completed on Wednesday if 77.68 holds and if 79.38 is bettered. Any such advance should be in association with an ending push up into or retest of this counter-trend top whereas any additional weakness should serve as confirmation of this sell signal.



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