

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 16, 2024

Market	Daily CTI	Daily Swing	Weekly CTI	Weekly Swing
Industrial	Positive	Low	Positive	Low
Transports	Neutral	High	Positive	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	Low
XAU	Positive	Low	Positive	Low
Dollar	Negative	High	Negative	High
Bonds	Positive	Low	Positive	Low
Crude Oil	Positive	Low	Negative	High
Unleaded	Positive	Low	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 16, 2024

**Stocks**

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
CTI on Rydex Tempest Fund *	Bearish
<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	Bullish
*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)	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
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bullish
Cycle Momentum Indicator	Bearish
Trading Cycle Oscillator	Bearish
Momentum Indicator	Bullish
Ratio Adjusted McClellan Oscillator Crossover	Bearish
Accumulation/Distribution Index	Bullish

Thursday concluded the 21st trading day of the trading cycle and while conditions have been ripe for a pull back into the less dominant half-trading cycle low, a short-term sell signal has yet to be triggered and as a result the advance out of the April 17th trading and intermediate-term cycle low has continued pressing higher. With the setup for the CheckMate Chart being incomplete, the expectation has been for this intermediate-term cycle advance to carry the Industrials above the March intermediate-term cycle top. That price objective has been met and while we should now be closing in on the trading cycle top, with the setup for the CheckMate Chart still incomplete, the expectation continues to be for higher prices with at least one more trading cycle up. Therefore, the decline into the next trading cycle low should ideally be counter-trend and the timing band for that low runs between May 28th and June 14th. Thursday's reversal lower and the accompanying oscillator picture make conditions ripe for what may now be the trading cycle top rather than a less dominant half-trading cycle top. Once a daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen, a short-term sell signal will be triggered. If the decline out of

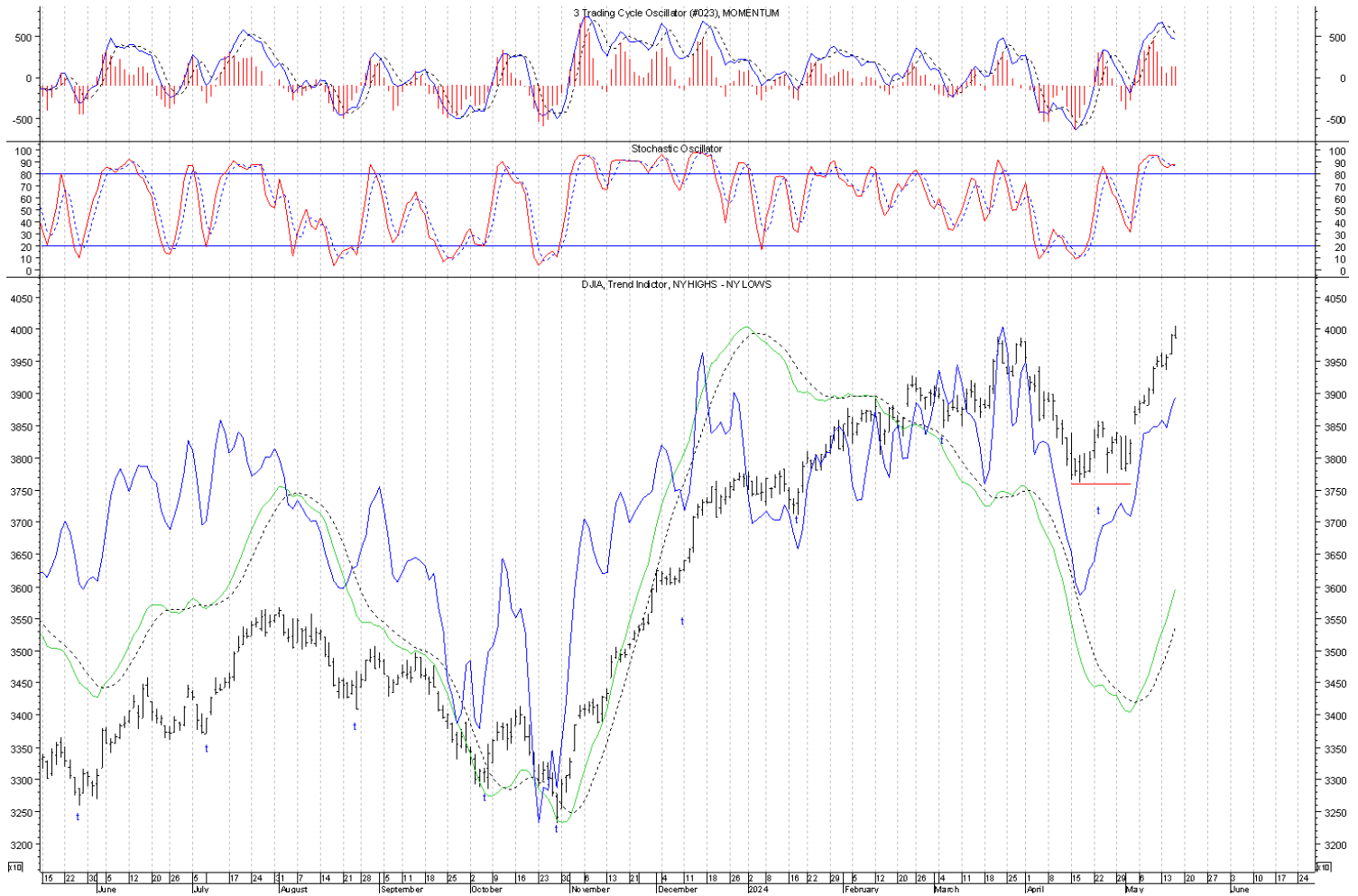
the trading cycle top should trigger an intermediate-term sell signal, then it will be possible that an intermediate-term cycle top has been seen, but until that proves to be the case, again, the expectation is for at least once additional trading cycle up into the intermediate-term cycle top. More on the trading cycle top at that time.

Crude Oil completed the formation of a daily swing low on Thursday and with the corresponding upturn of the daily CTI, a short-term buy signal was triggered. 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 also triggered on Gasoline Thursday, but as with Crude Oil, the expectation is for it to be counter-trend 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 triggered another short-term buy signal on Wednesday, but because of the May 3rd completion of a weekly swing high and triggering of an intermediate-term sell signal, the expectation is for this advance to be counter-trend, leaving the CRB once again positioned for continued weakness in association with the decline out of the intermediate-term cycle top. The trading cycle low in Gold was seen on May 3rd. The advance out of that low remains intact, but the expectation is for this advance to be counter-trend and followed by continued weakness into the higher degree intermediate-term cycle low. The XAU triggered another short-term buy signal on Wednesday in association with an additional push up into the trading cycle top. Once another short-term sell signal is triggered, the trading cycle top should be in place. With the Dollar still within the timing band for the trading cycle low, we knew that any additional weakness may be in association with an additional push down into the trading cycle low. As a result of the continued weakness that may well prove to be what we have seen, but until that proves to be the case, the assumption is that the trading cycle low was seen on May 3rd and that we have a failed and left-translated trading cycle at play. Bonds have been at risk of the trading cycle top, but in the absence of the confirmation of last Thursday's short-term sell signal and with Tuesday's reversal higher, per the Tuesday night update, we knew Bonds were positioned for another push up into the trading cycle top. With the completion of a daily swing low on Wednesday and Thursday, this additional advance was seen. Now, as a result of Thursday's reversal, conditions are again ripe for the trading cycle top, which should be in place once another short-term sell signal is triggered. The decline into the pending trading cycle low is expected to be counter-trend.

**The Intermediate-Term Advancing Issues Line, plotted in red, has ticked back down and in doing so may now be telegraphing the trading cycle top. The Green MA continues its uptick and another upturn of the Green MA above the Black MA will serve as additional confirmation of the intermediate-term cycle low.**

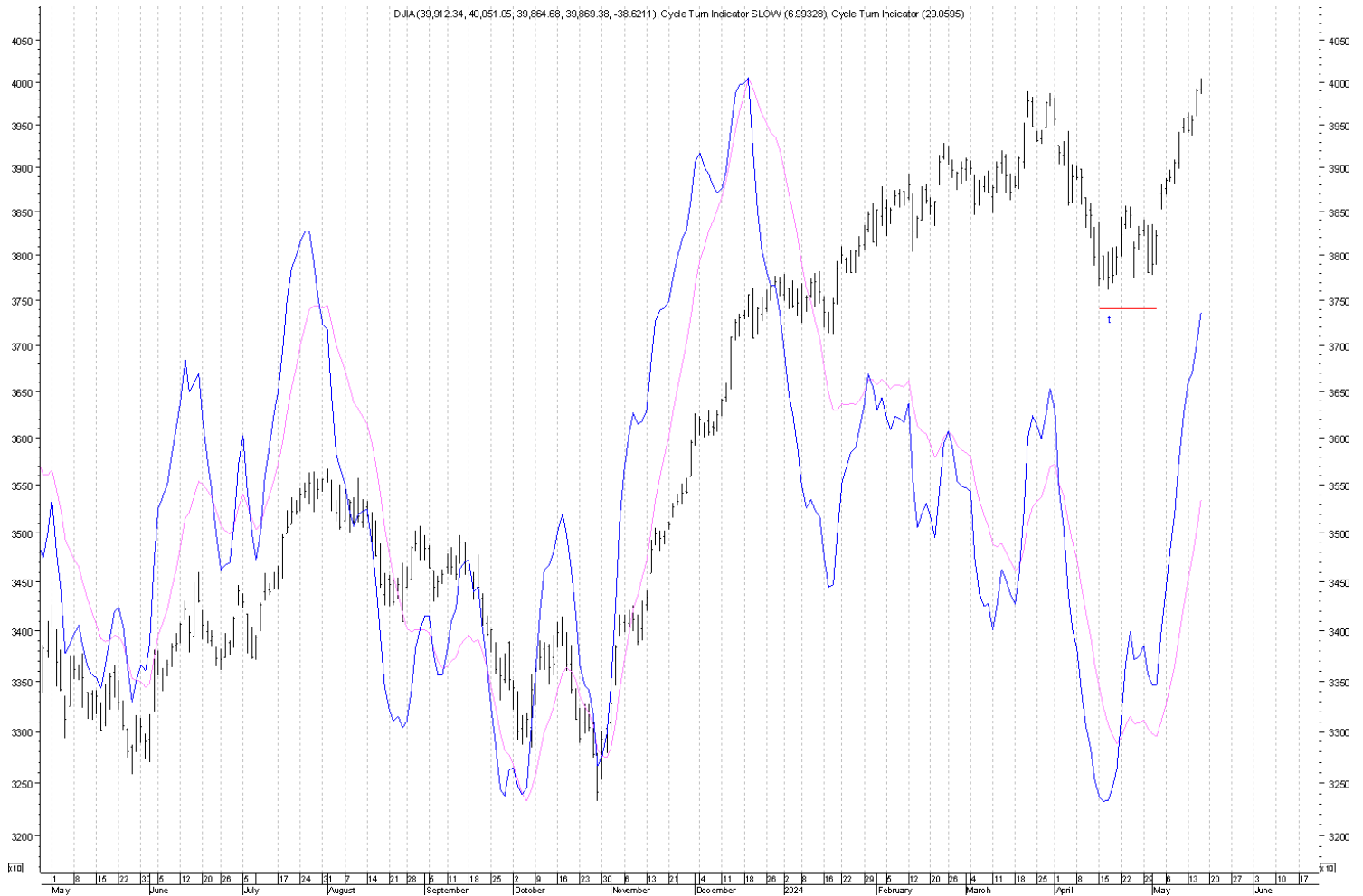


The **Trading Cycle Oscillator** in the upper window continues its down turn. The **Momentum Indicator** has also ticked down, but has not crossed back below its zero line. The **5 3 3 Stochastic** in the middle window continues trying to roll over from overbought levels. Collectively, these oscillators continue to be suggestive of a top, which again may now prove to be the trading cycle top rather than a half-trading cycle top, but nonetheless should be in association with a counter-trend decline. The **New High/New Low Differential**, plotted with price, has turned back up. The **Trend Indicator** continues its upturn above the trigger line, which is reflective of both the trading and intermediate-term cycle low.

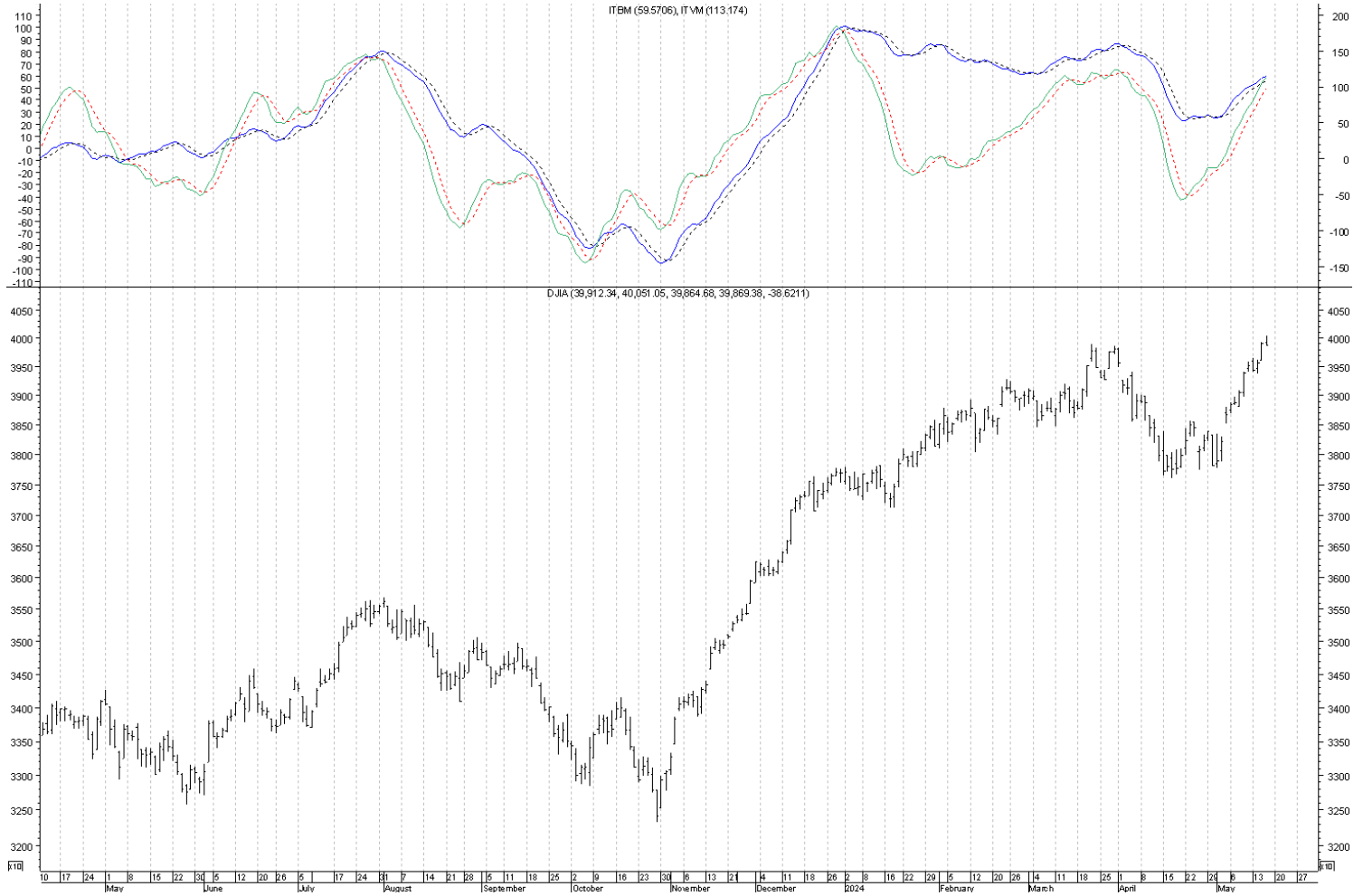


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

**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. A daily swing high will be completed on Friday if 40,051.05 is not bettered and if 39,864.68 is violated.**

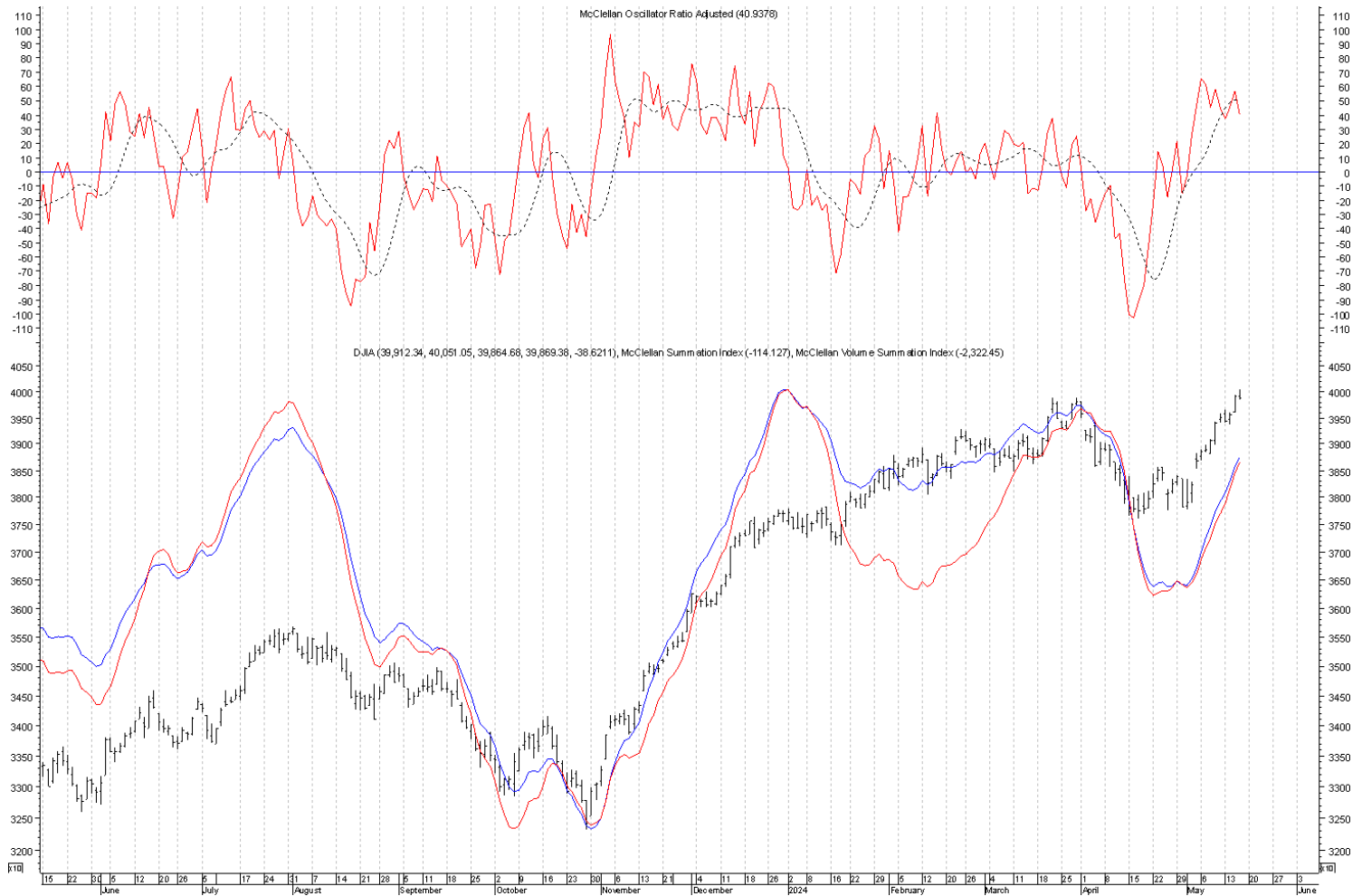


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** continue their upturns.

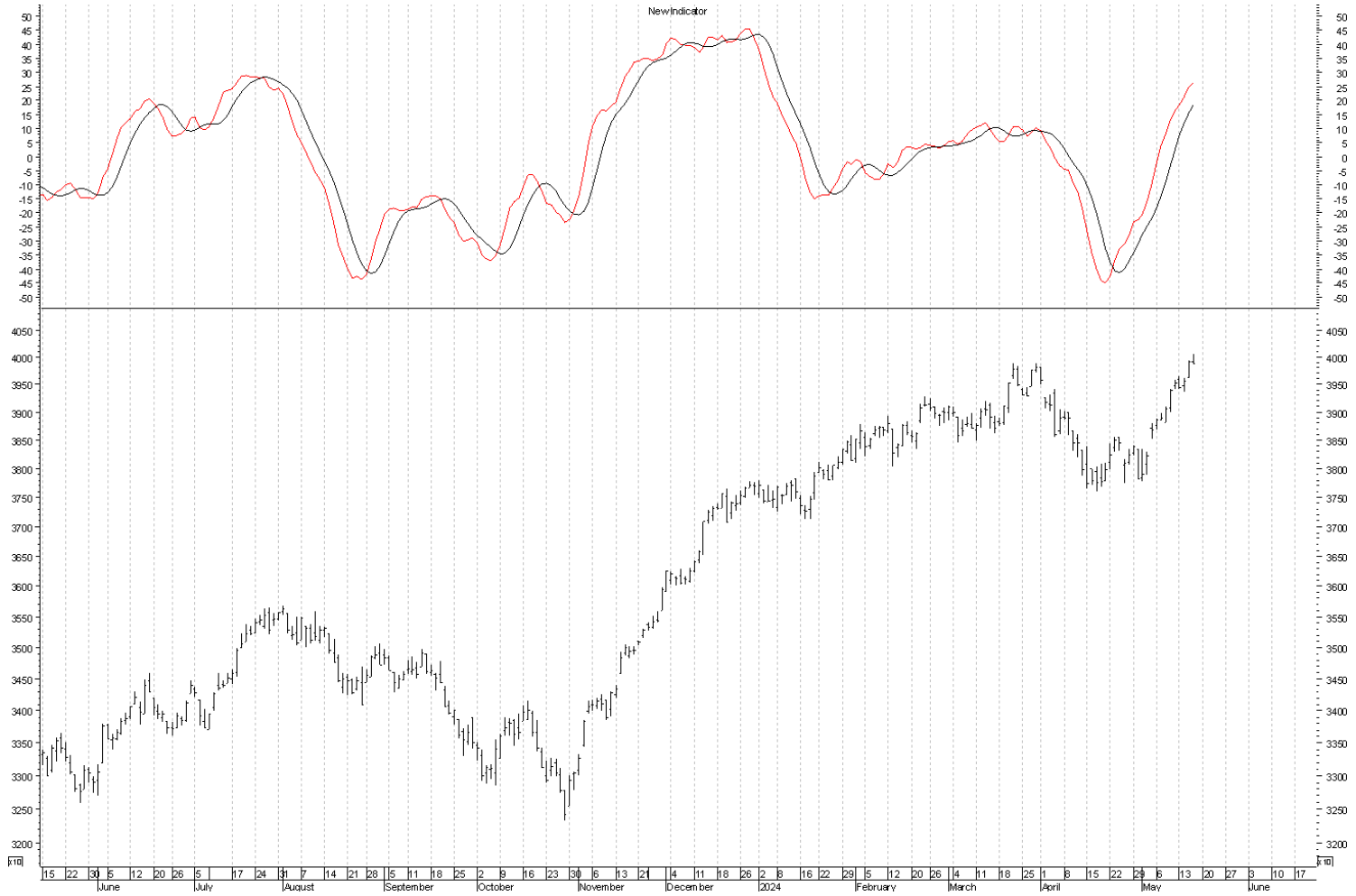




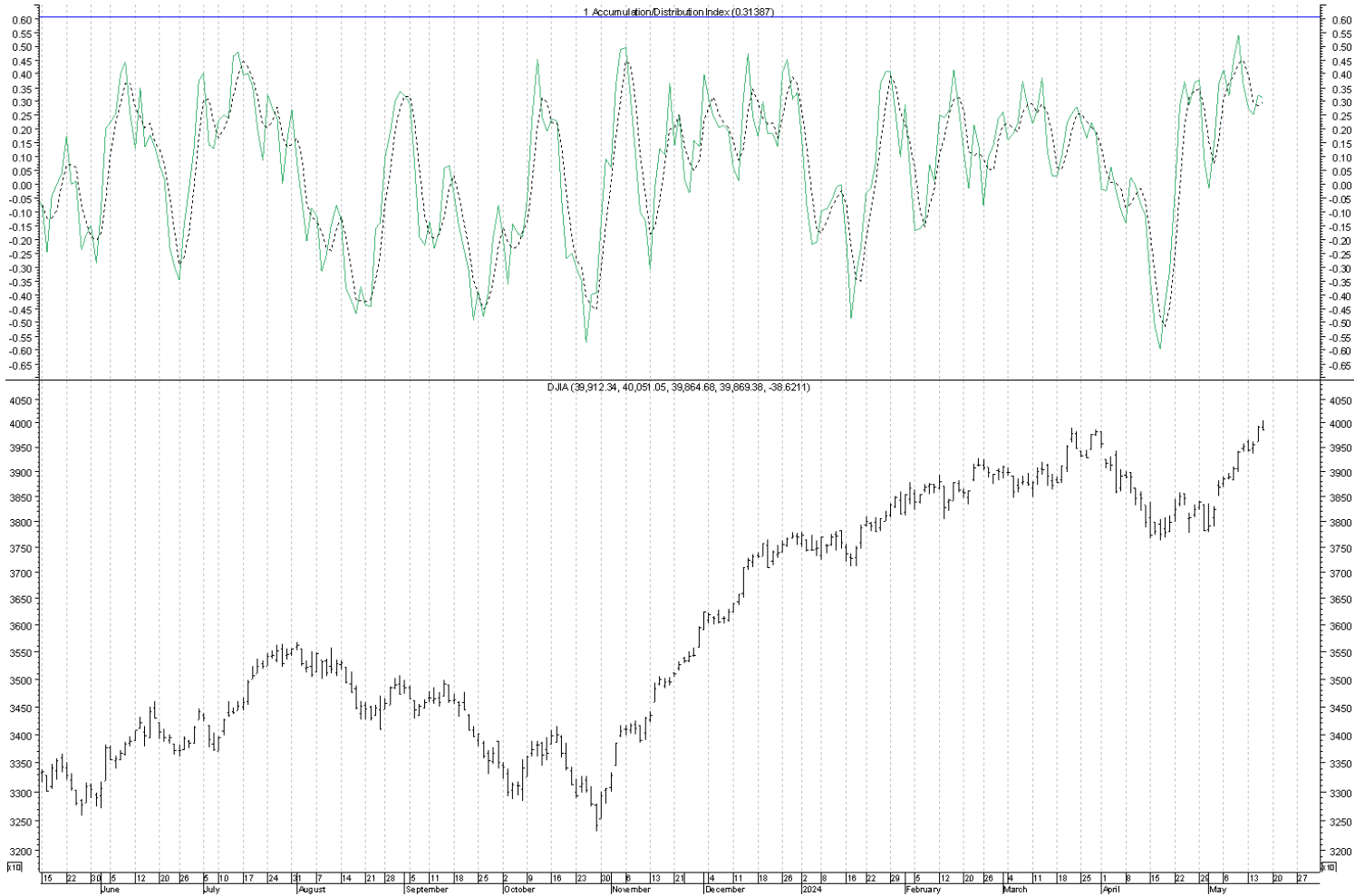
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their upturns as well and in doing so the price/oscillator picture here continues to be reflective of the advance out of the trading and intermediate-term cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window has turned back down, which in doing so has begun telegraphing what should now be the trading cycle top. However, 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 and until a downturn below the trigger line is seen, there is no indication here of the trading cycle advance having run its course.



The **Accumulation/Distribution Index** turned back up, but the divergence that has continued forming is also beginning to be more indicative of the pending trading cycle top rather than the less dominant half-trading cycle top.



# Gold

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

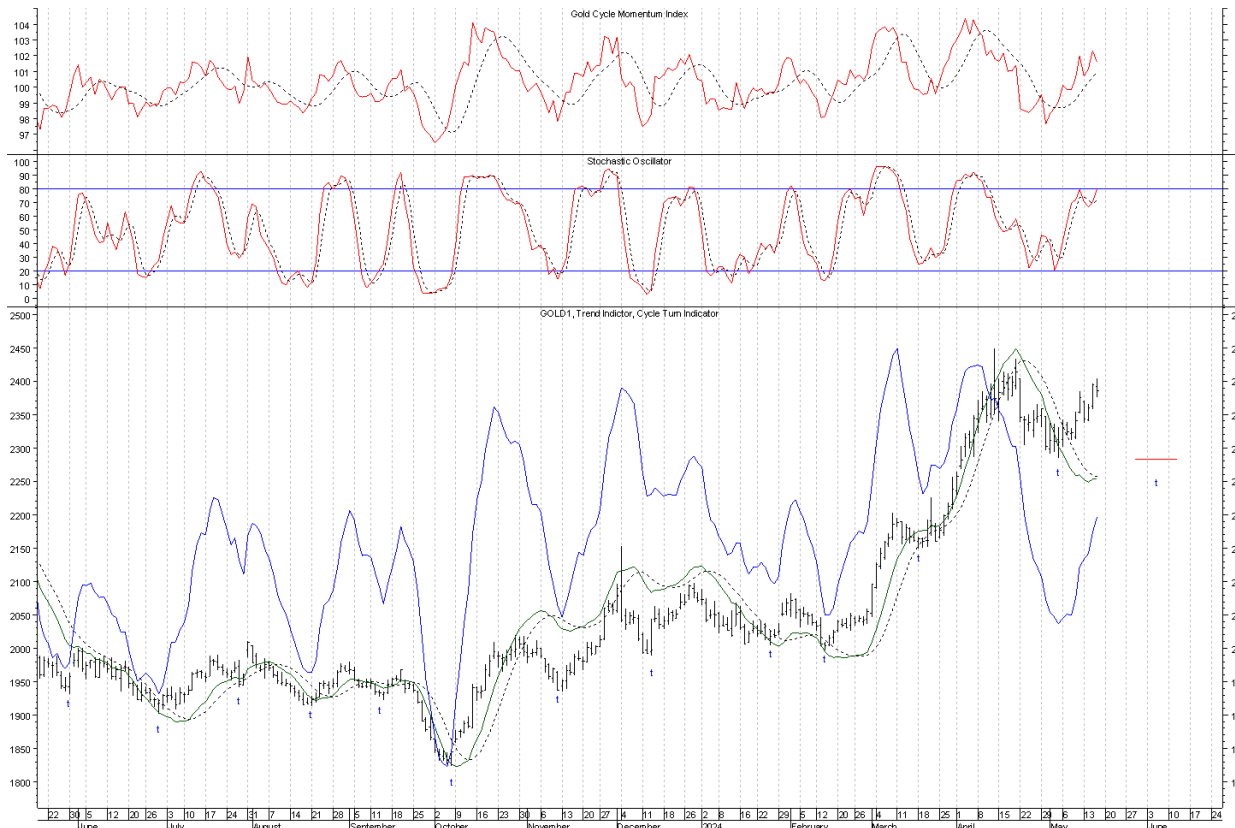
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bearish

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

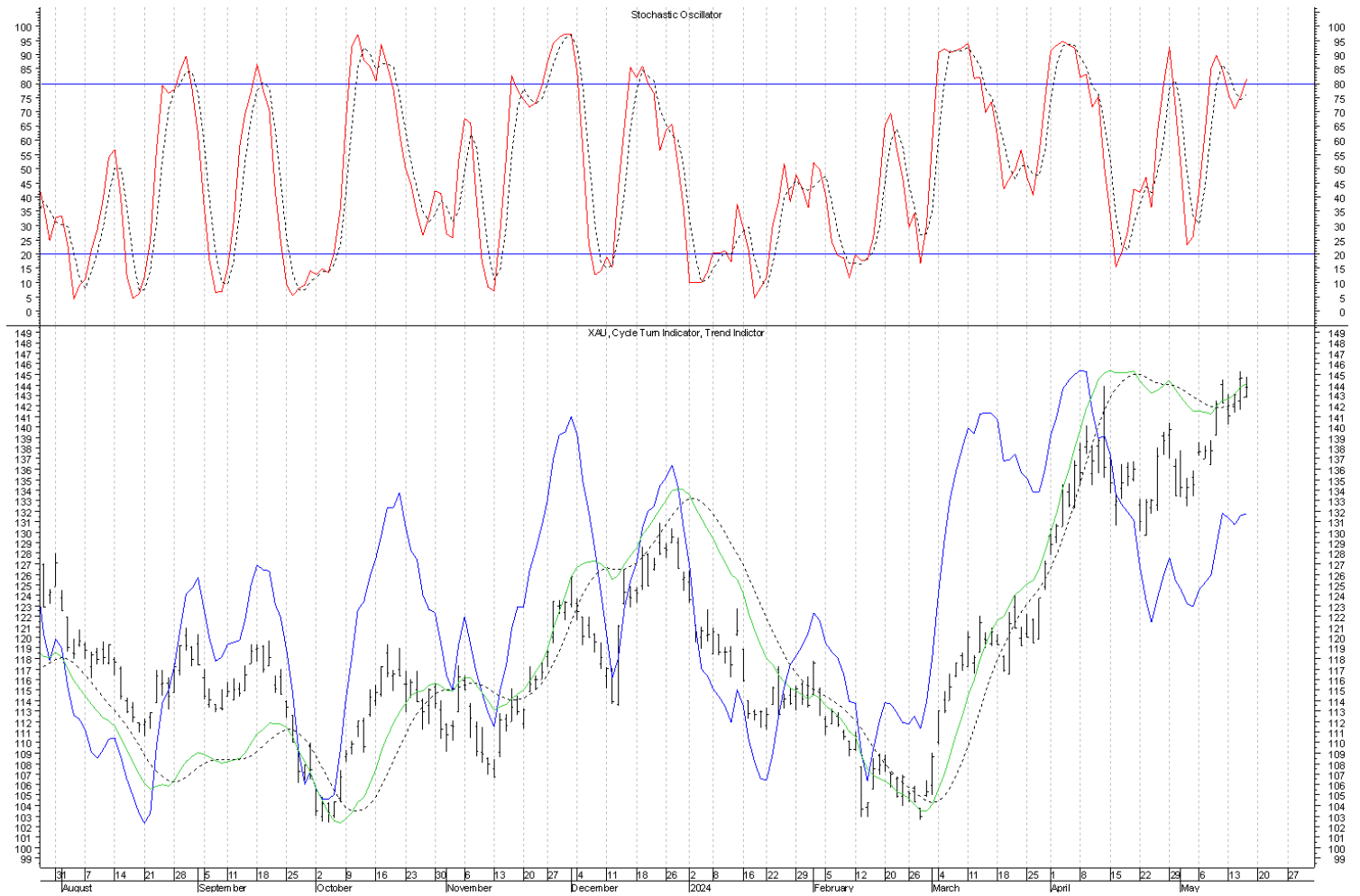
Primary Indicators	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bullish

The trading cycle low was seen on May 3rd and the timing band for the next trading cycle low runs between May 29th and June 12th. Based on the cyclical phasing, the April 26th intermediate-term sell signal and the accompanying oscillator picture, this trading cycle advance has been expected to be a counter-trend retest of the intermediate-term cycle top. Given Thursday's reversal lower and the accompanying oscillator picture, conditions are certainly ripe for this advance to have 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 will be in association with a continued push into the trading 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 high will be completed on Friday if 2,402.70 is not bettered and if 2,375.20 is violated.



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 we knew that any further advance should be in association with a retest of the trading cycle top. On Wednesday the XAU completed the formation of a daily swing low re-triggering another short-term buy signal in association with the retest of this trading cycle top. Thursday was an inside day yielding no additional changes and the price/oscillator picture remains ripe for the trading cycle top, which should be in place once another daily swing high and downturn of the daily CTI are seen. Another daily swing high will be completed on Friday if 145.35 is not bettered and if 141.63 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
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### Daily Indicator Summary **Short-Term Sell**

#### Primary Indicators

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

#### Confirming Indicators

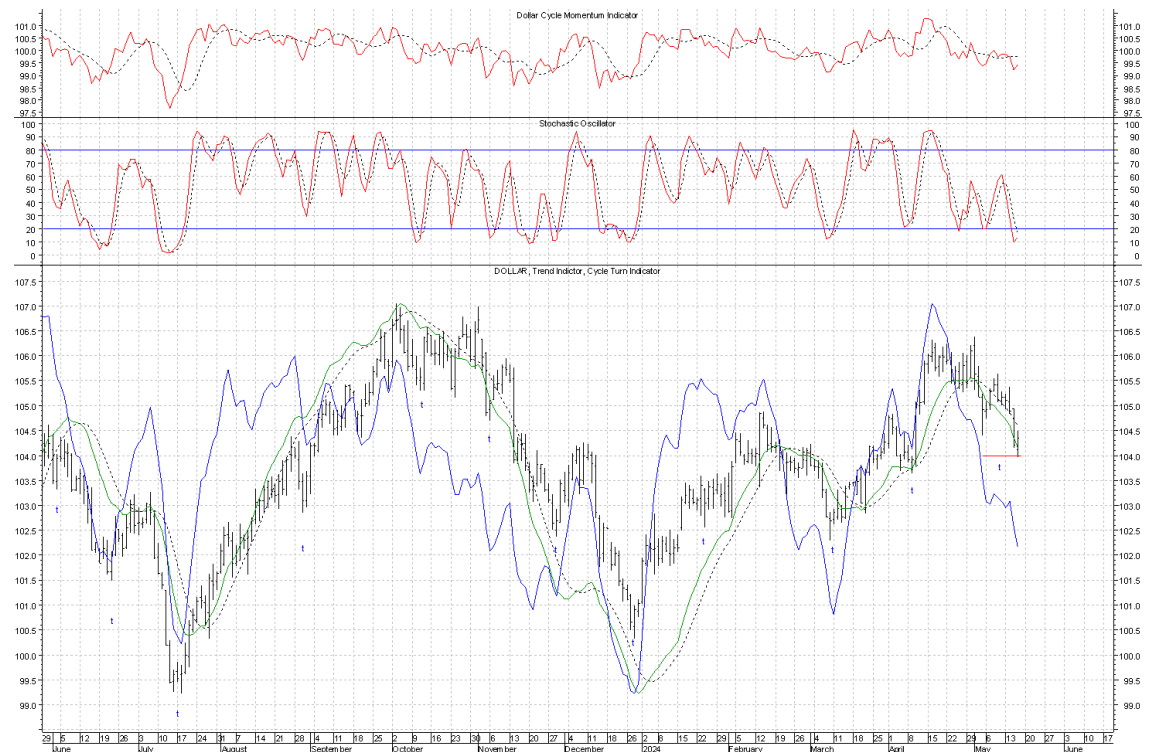
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish

#### Secondary Indicators

5 3 3 Stochastic	Bearish
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The timing band for the current trading cycle low runs between May 5th and May 17th. I have said that I would ideally like to have seen continued weakness into this low, but as previously discussed in recent updates, with the completion of a daily swing low on May 7th, we also have known that it was possible the trading cycle low was seen slightly early on May 3rd. Now as a result of this additional weakness, this low was either seen on May 3rd, in which case we have a failed and left-translated trading cycle at play, or we have seen an additional push down into this low as we have moved into the outer portion of the timing band. Until we see what the price action over the next few days brings, it could be either, but until proven otherwise we will operate under the assumption the low was seen on May 3rd and that we have a failed and left-translated trading cycle at play. More on this phasing as we move through the remainder of the timing band and into next week and we see if a short-term buy signal is triggered. In the event we are seeing the trading cycle low here, I would

ideally like to see another trading cycle down into the higher degree intermediate-term cycle low. More on that once we determine the phasing of the trading cycle. Another daily swing low will be completed on Friday if 103.96 holds and if 104.50 is bettered.

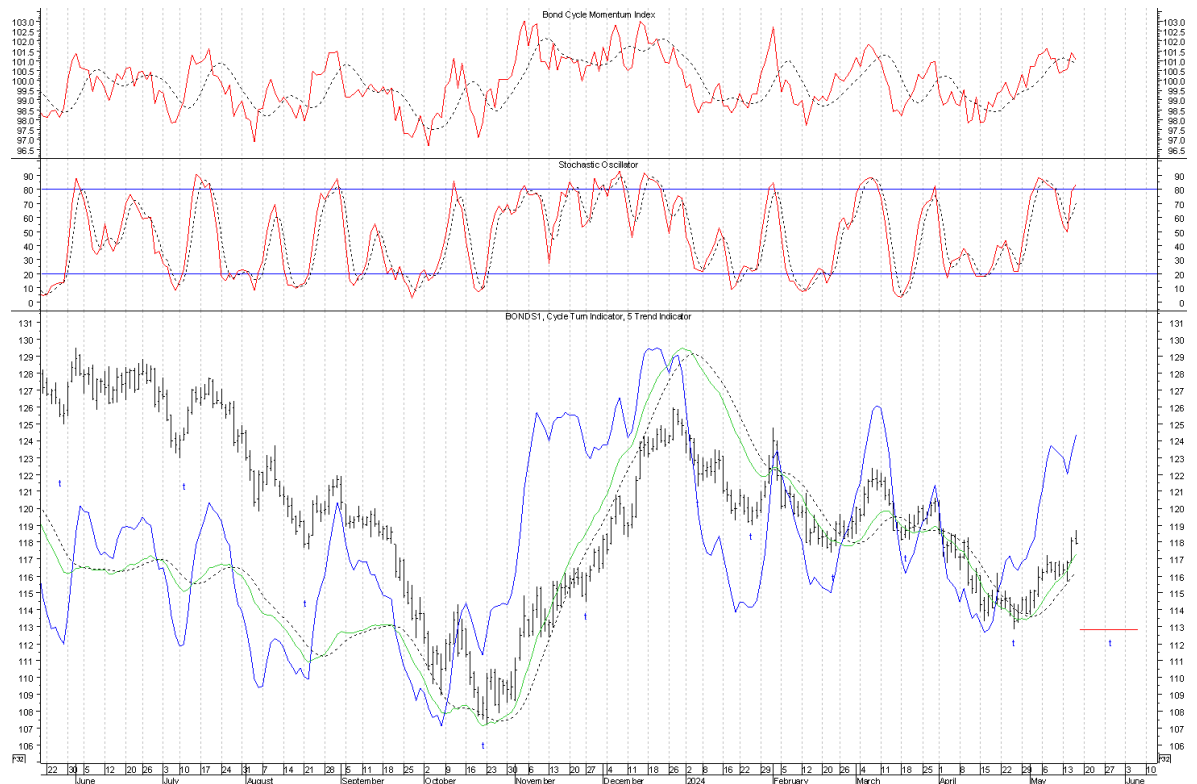


## Bonds

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

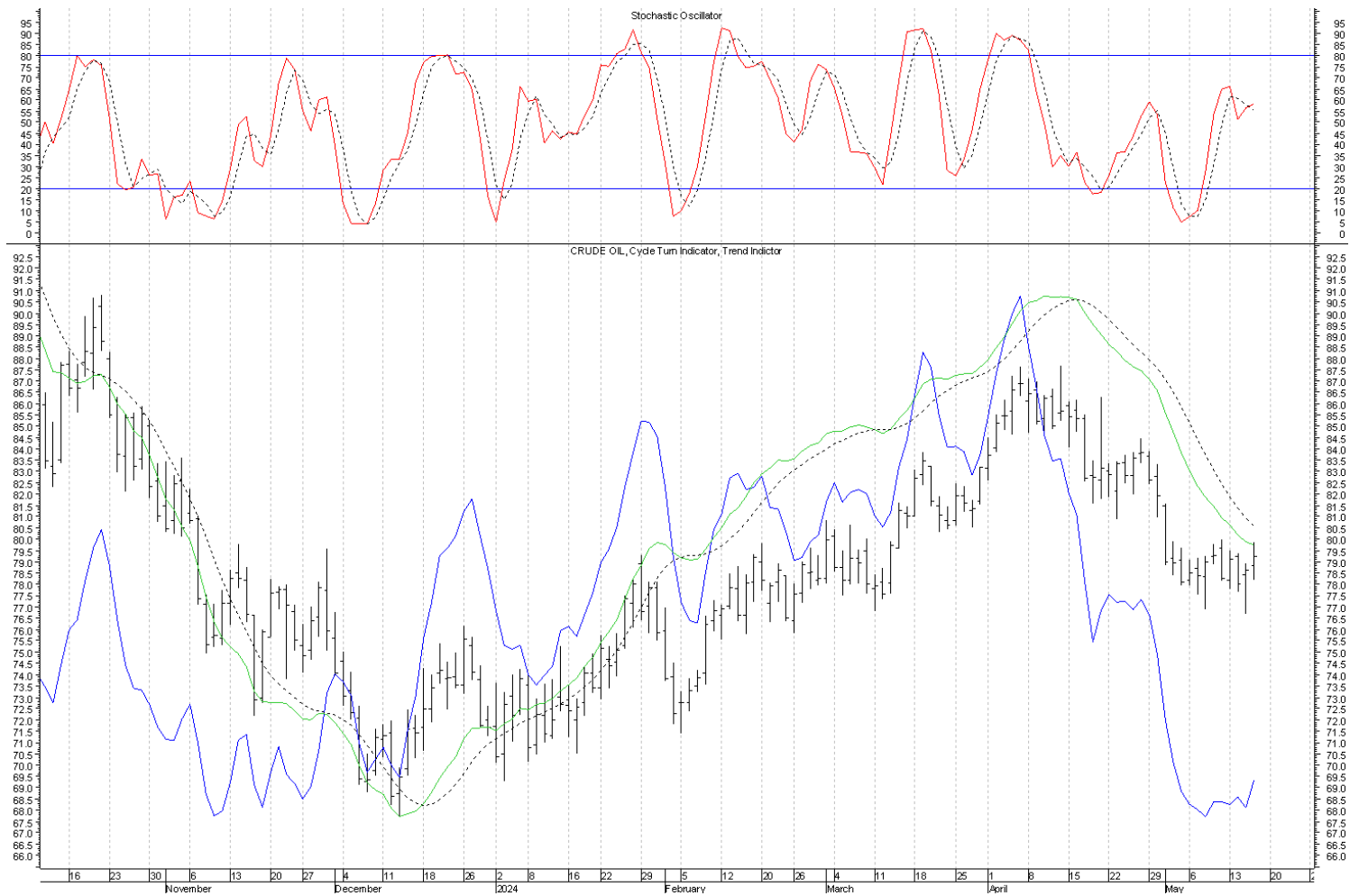
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bullish

The timing band for the now pending trading cycle low runs between May 17th and June 6th. The additional confirmation of last Thursday's short-term sell signal was never seen and as was discussed in the weekend update and again in the Tuesday night update, I ideally wanted to see an additional push up into the trading cycle top. With the completion of a daily swing low on Wednesday another short-term buy signal was triggered in association with that additional advance. Now with price moving into the early side of the timing band for this low, Thursday's reversal and the accompanying oscillator picture certainly make conditions ripe for the trading cycle top and any further weakness that turns the daily CTI down will trigger another short-term sell signal in association with what should now be 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 advance out of the the higher degree intermediate-term cycle low.



# Crude Oil

We never saw a close below Monday's low as confirmation of the short-term sell signal and on Wednesday Crude Oil reversed off its low. With the completion of a daily swing low on Thursday and the corresponding upturn of the daily CTI, a short-term buy signal was triggered. This buy signal will remain intact until another daily swing high and downturn of the daily CTI are seen, but the expectation is for it to be counter-trend. If a weekly swing low is completed in association with this short-term buy signal, then the evidence will be suggestive of the intermediate-term cycle low having been seen, but even so and while of a higher degree, it should also prove to be in association with a counter-trend advance. Another daily swing high will be completed on Friday if 79.85 is not bettered and if 78.20 is violated.



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