

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 23, 2024

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

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

On Tuesday the Industrials completed the formation of a daily swing high and as discussed in the Tuesday night update, with the decline into the half-trading cycle low failing to bite and this trading cycle advance having moved increasingly closer to the timing band for the trading cycle low, the expectation was for any further weakness that put ALL Three of the Primary Short-Term Indicators into gear to the downside to trigger a short-term sell signal in association with the trading cycle top rather than the half-trading cycle top. With Wednesday's weakness turning ALL Three of the Primary Short-Term Indicators into gear to the downside, a short-term sell signal was triggered and further weakness followed on Thursday. In doing so, every indication is that the trading cycle top has in fact been seen. With the timing band for the low running between May 28th and June 14th, this low should ideally still lie ahead as we move into this timing band. Then, once the trading cycle low is in place with the triggering of another short-term buy signal, the expectation is for higher prices into the next intermediate-term cycle top in association with the setting up of

the CheckMate Chart. If a weekly swing high and intermediate-term sell signal are seen in conjunction with the decline out of this trading cycle top, then perhaps this setup is taking a different form.

Crude Oil completed the formation of a daily swing high on Tuesday and with the downturn of the daily CTI a short-term sell signal was triggered. The expectation was for the advance out of the May 15th daily swing low to be counter-trend. Given the continued weakness that has followed and the completion of another weekly swing high, this has proven correct.

Tuesday's short-term sell signal on Gasoline remains intact and here too, this is an opportunity to cap the counter-trend advance. 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 a short-term sell signal on Thursday. The expectation has been for the advance out of the May 2nd trading cycle low 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. Given this sell signal, the assumption is that the counter-trend advance has now run its course.

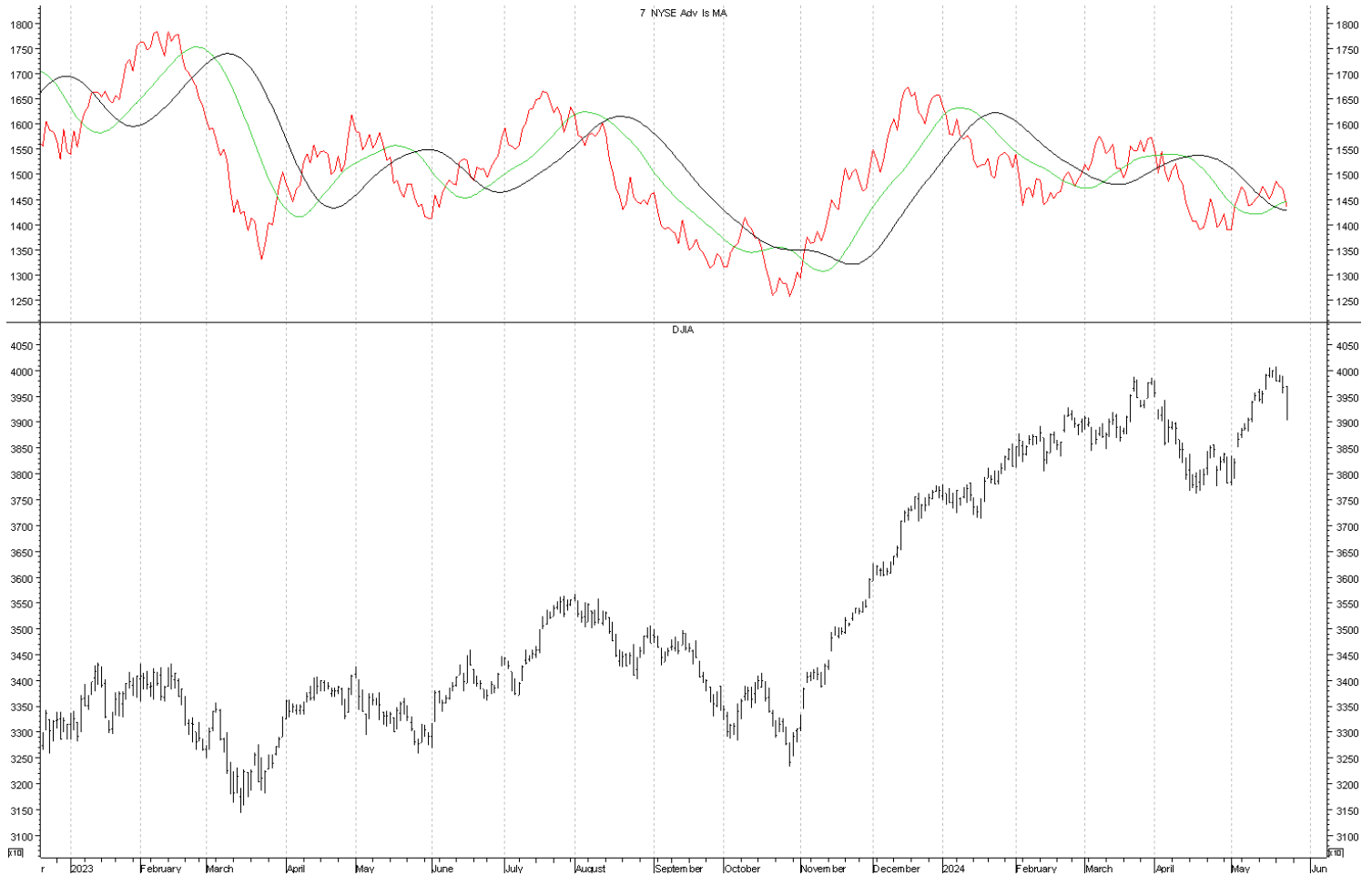
Gold completed the formation of a daily swing high on Tuesday and with the continued weakness on Wednesday a short-term sell signal was triggered and every indication is that the trading cycle top has been seen. If the decline in association with this trading cycle top completes the formation of another weekly swing high, the retest of the intermediate-term cycle top should have run its course and the intermediate-term cycle top should be in place.

The XAU triggered a short-term sell signal on Wednesday in association with the trading cycle top. If this decline completes the formation of another weekly swing high, the intermediate-term cycle top should also be in place.

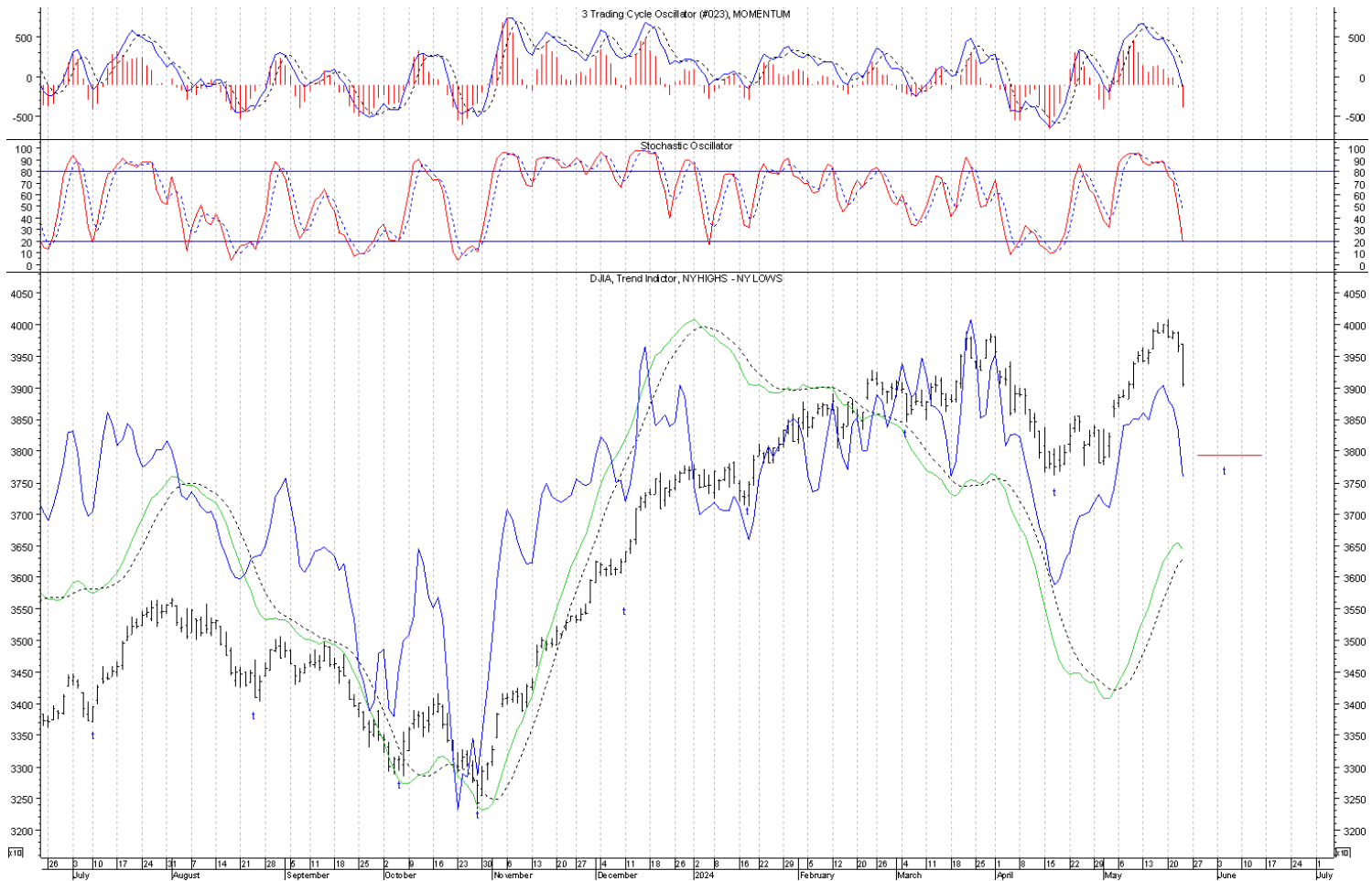
The Dollar has triggered a short-term buy signal in association with the May 16th daily swing low and with the close above the May 17th daily swing high, this signal has been confirmed. In doing so, the evidence points toward the trading cycle low having been seen on May 16th rather than May 3rd.

I ideally wanted to see continued weakness into the trading cycle low on Bonds, which we have seen. But, I would still ideally like to see another few days of weakness before this trading cycle low is seen. This said, once Bonds complete the formation of a daily swing low that is confirmed by an upturn of the daily CTI, a short-term buy signal will be triggered and the assumption will have to be that this low has been seen.

**The Intermediate-Term Advancing Issues Line, plotted in red, continues its downturn, which in doing so is reflective of the trading cycle top. The Green MA continues its upturn and above the Black MA, which in doing so serves as additional confirmation of the intermediate-term cycle low.**

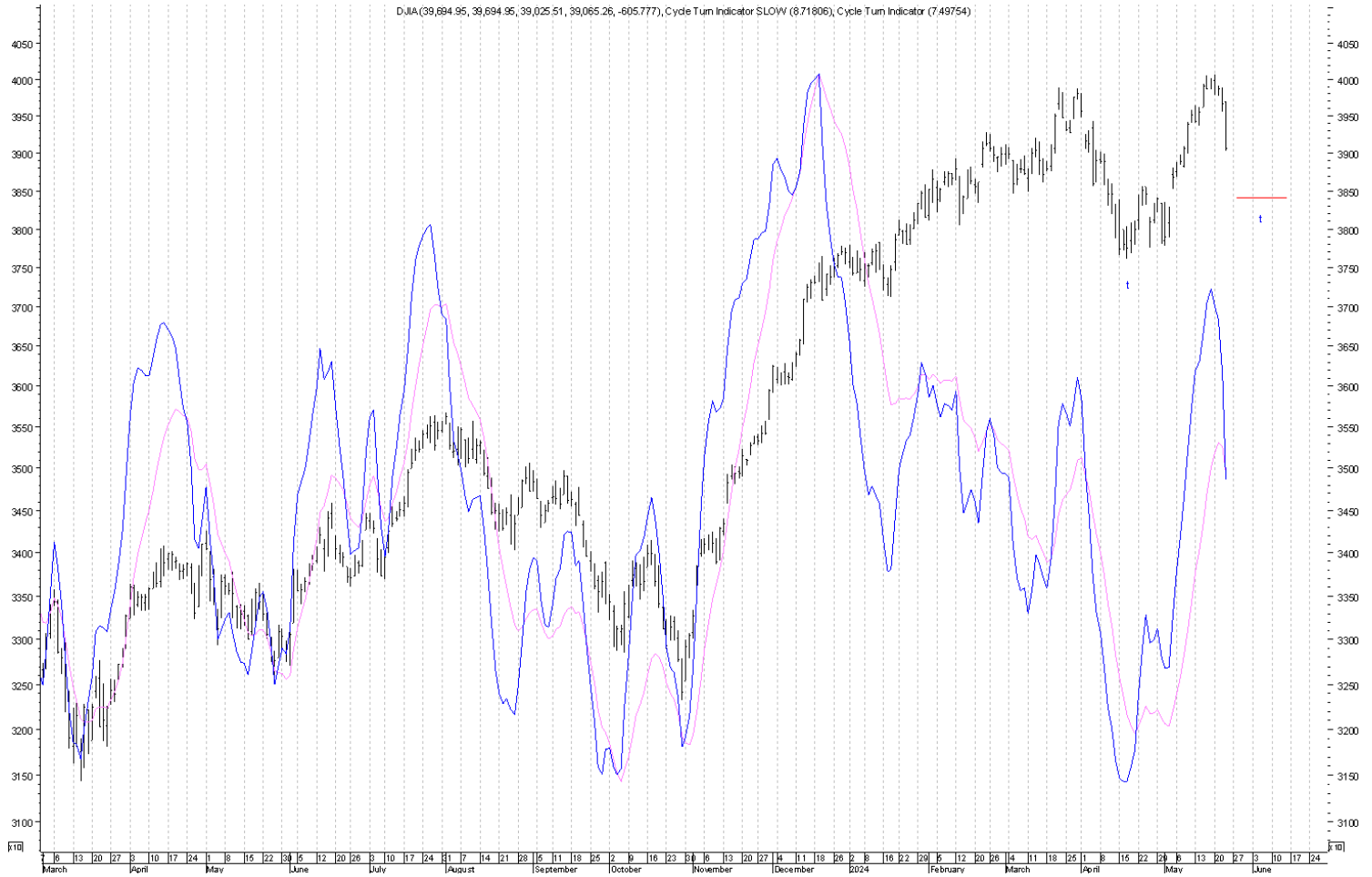


The **Trading Cycle Oscillator** in the upper window continues its downturn. The **Momentum Indicator** also continues its downturn and has now crossed back below its zero line. The **5 3 3 Stochastic** in the middle window continues its downturn and is now nearing oversold levels. Collectively, these oscillators have been suggestive of a top, which we knew should be in place once a short-term sell signal was triggered. The **New High/New Low Differential**, plotted with price, also continues its down in association with the trading cycle top. The **Trend Indicator** has ticked down, but has not yet crossed below its trigger line. A crossing here should certainly serve as further confirmation of the trading cycle top. If a weekly swing high and intermediate-term sell signal are seen, a crossing here would be concerning with regard to the higher degree intermediate-term cycle top as well.

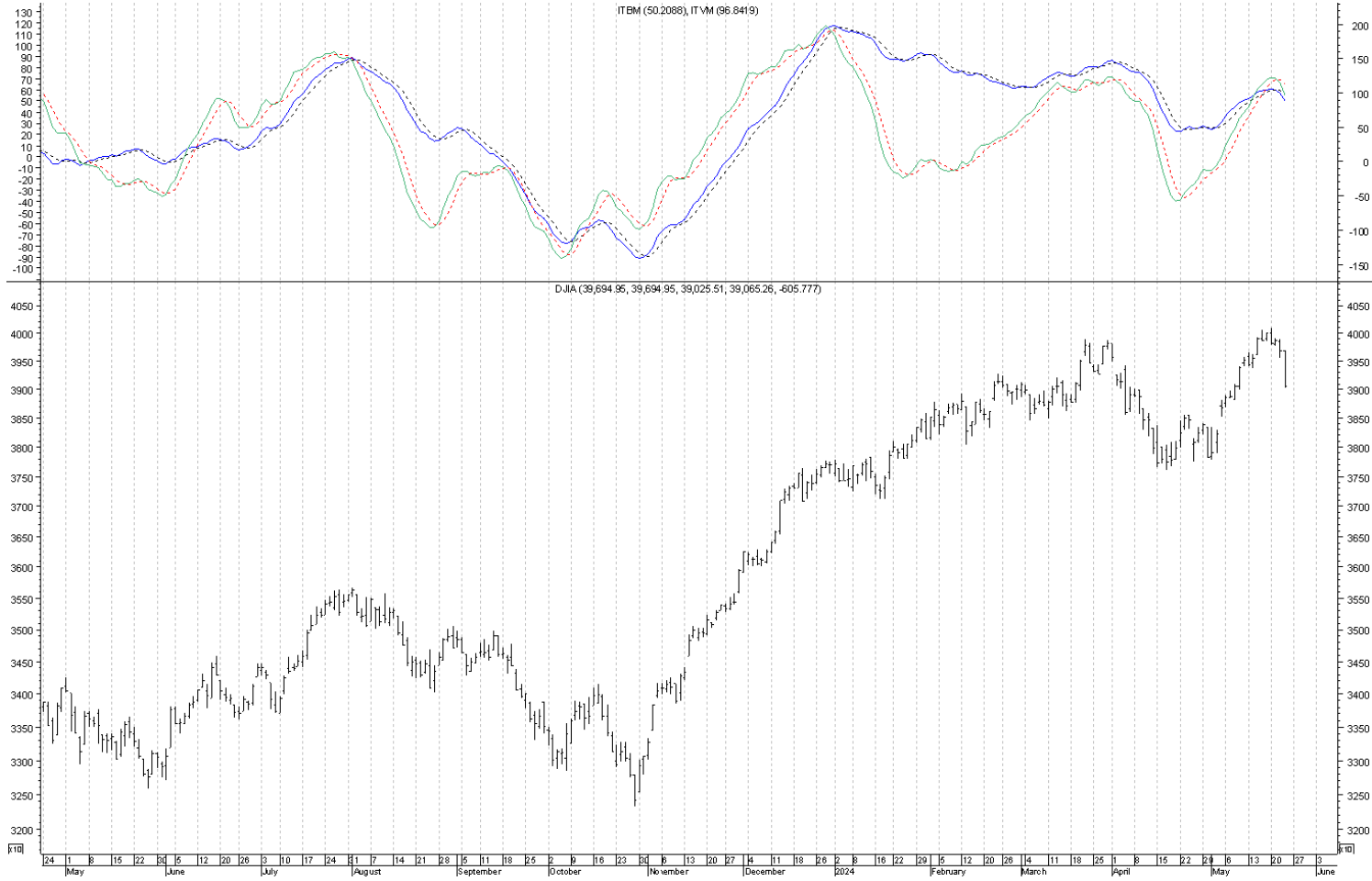


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

**Bottom line, the trading cycle top was confirmed with Wednesday's triggering of a short-term sell signal and this signal will remain intact until another daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen.**

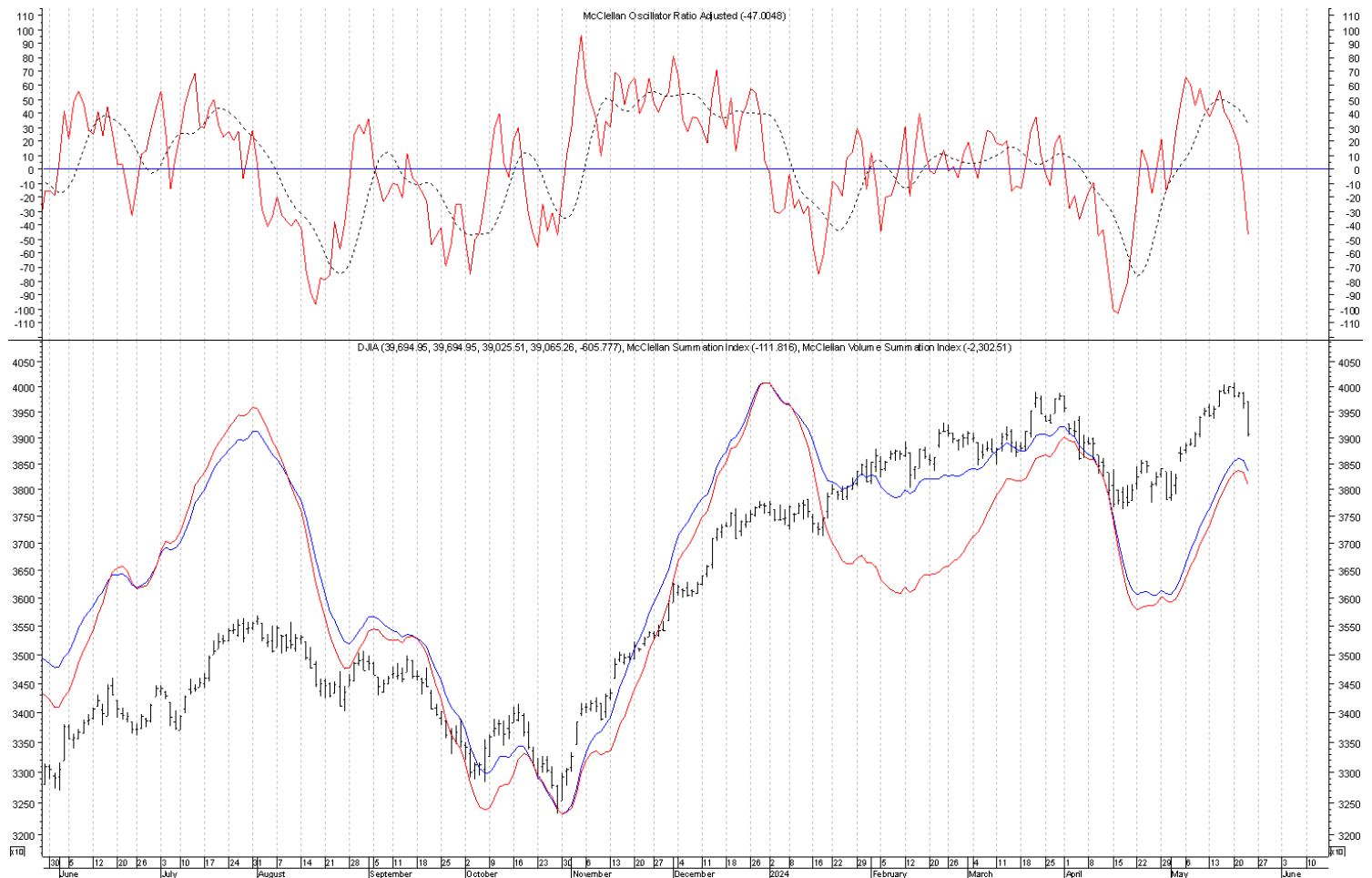


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** have turned below their trigger lines in association with this trading cycle top.

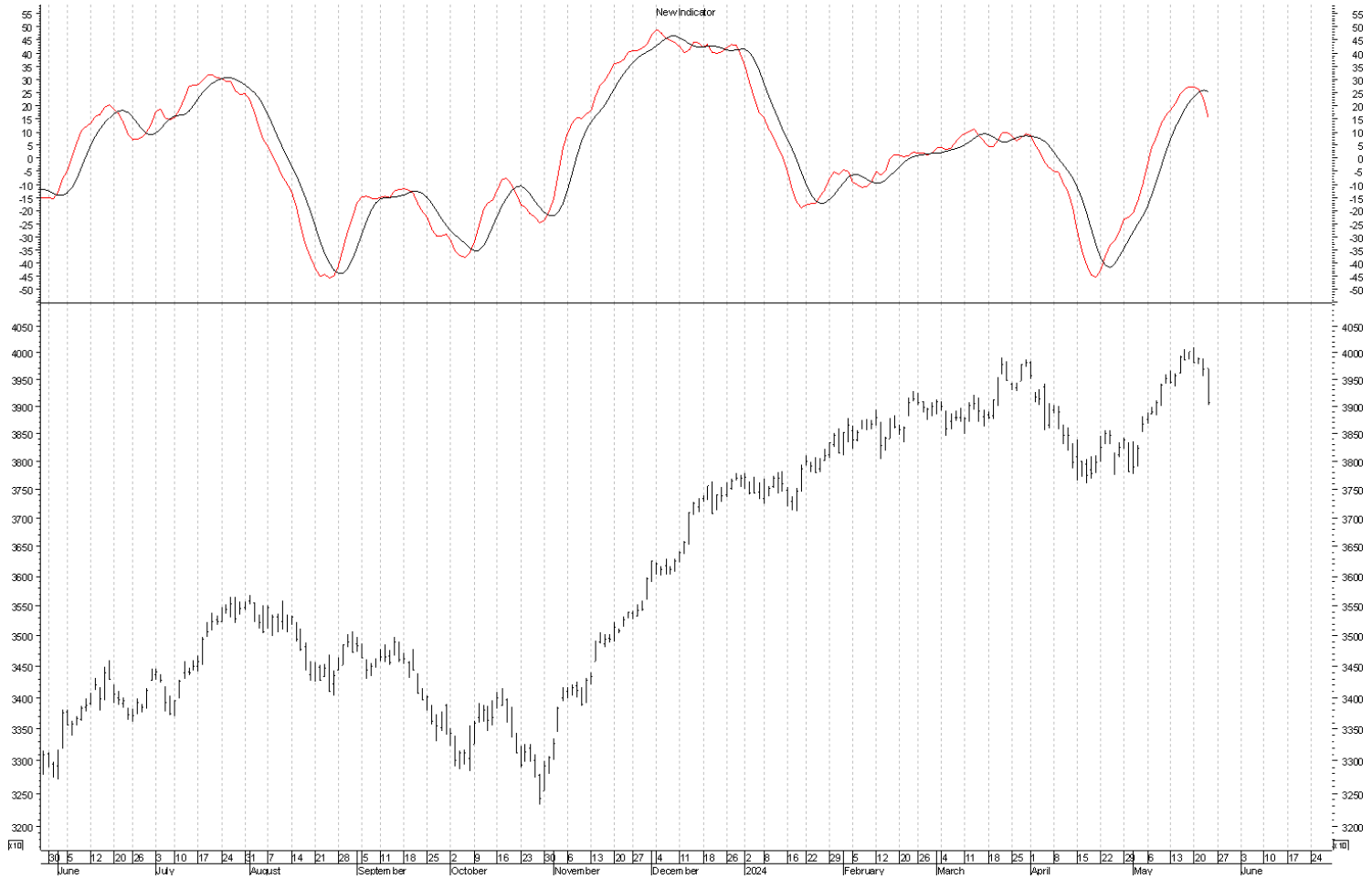




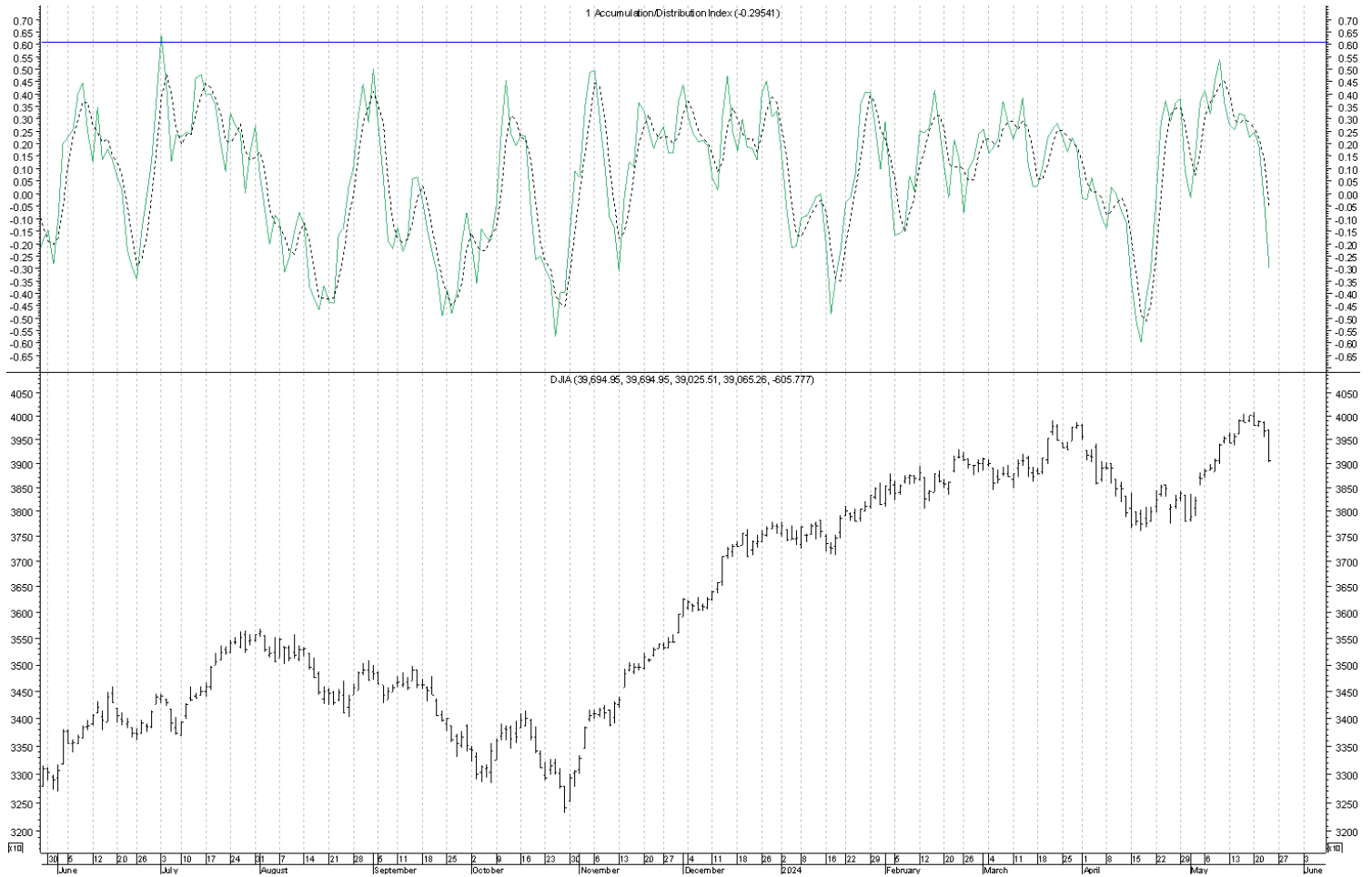
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** have also turned down into gear together in association with the trading cycle top. The **Ratio Adjusted McClellan Oscillator** in the upper window continues its downturn. We have known that this downturn was telegraphing this trading cycle top and now that a short-term sell signal has been accompanied by a crossing below the zero line, every indication is that the trading cycle top has been seen.



The smoothed McClellan oscillator has also crossed below the trigger line, which here too is reflective of the trading cycle top. If the decline into the trading cycle low completes the formation of a weekly swing high that is confirmed by the triggering of an intermediate-term sell signal, such development would also be concerning with regard to the intermediate-term cycle top.



The downturn of the **Accumulation/Distribution Index** has been suggestive of the trading cycle top and now that a short-term sell signal has been triggered, the continued decline serves as confirmation of this top. The next upturn will now be suggestive of the next trading cycle low.



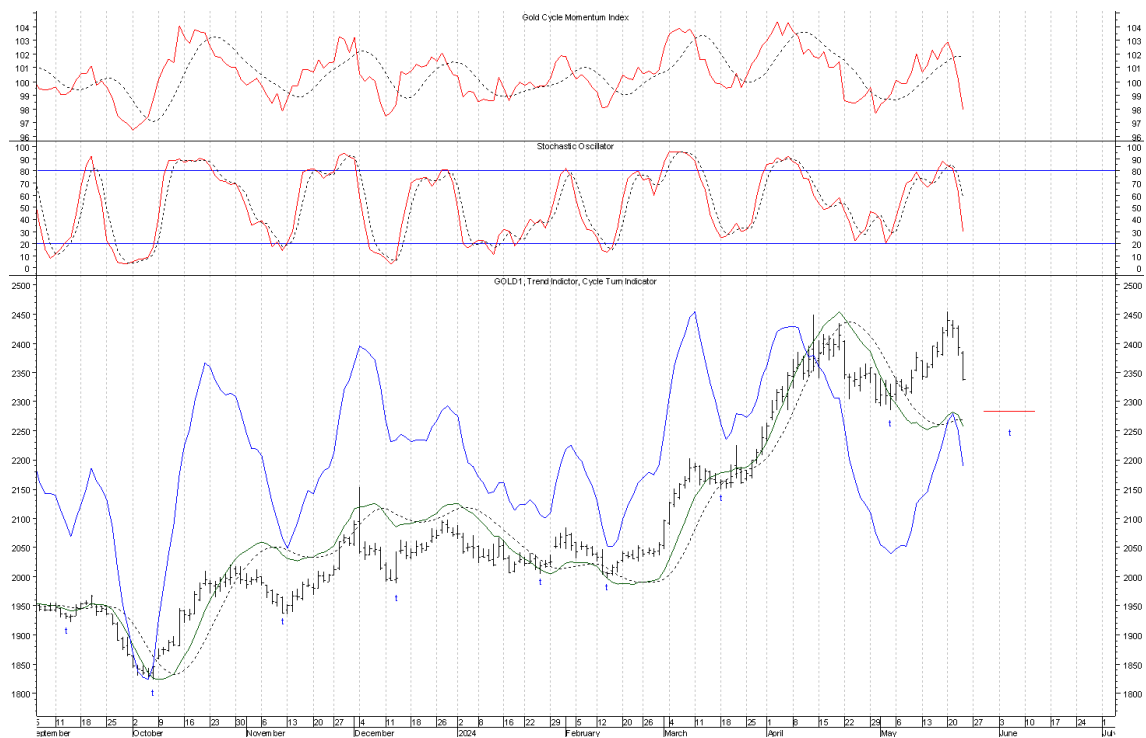
## Gold

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
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
<b>Secondary Indicators</b>	
5 3 3 Stochastic	Bearish

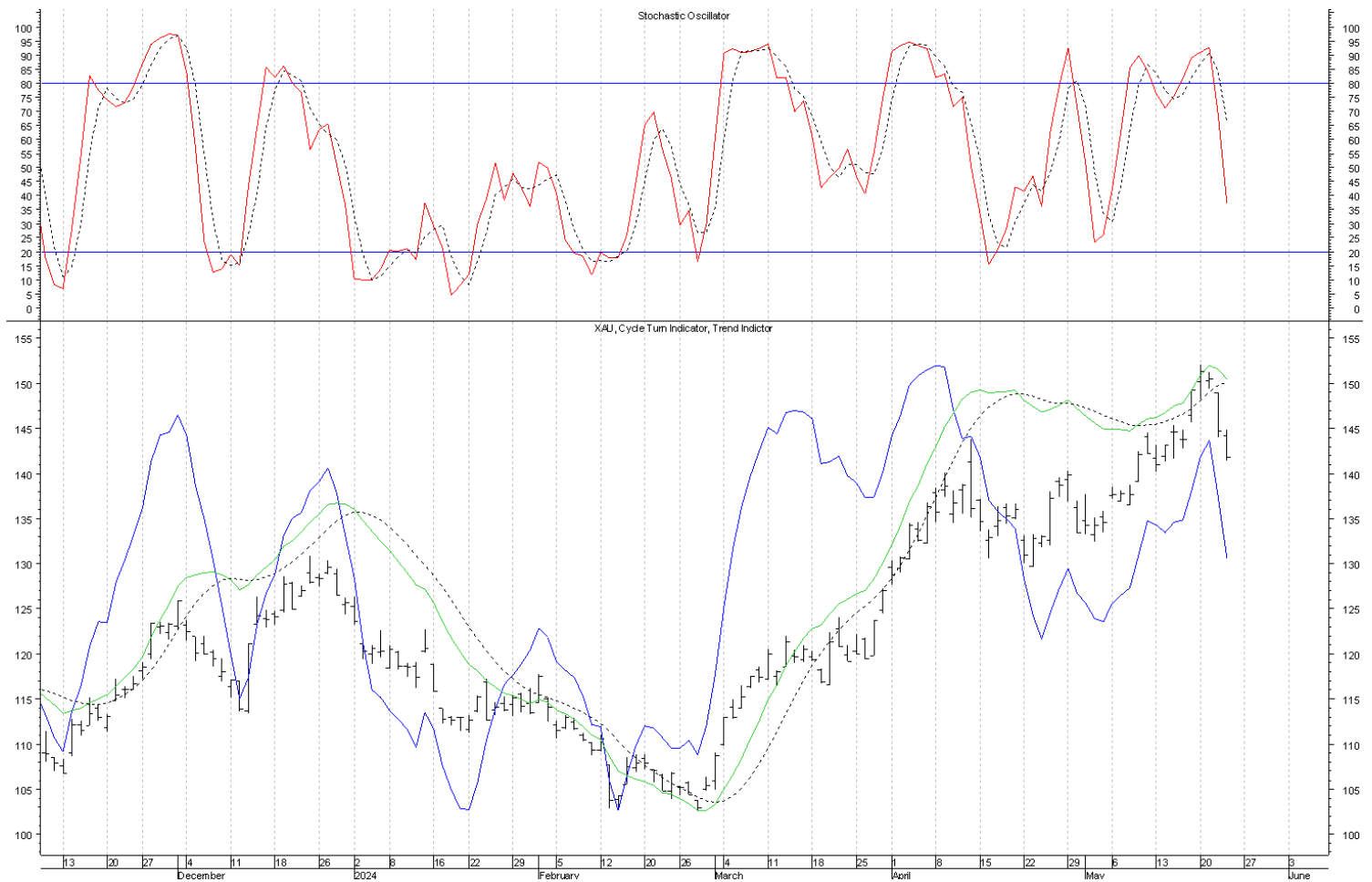
Daily Indicator Summary <b>Short-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bearish

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, we knew that this trading cycle advance was expected to be a counter-trend retest of the intermediate-term cycle top. On Monday the April high was marginally bettered and on Tuesday Gold completed the formation of a daily swing high. Per the Tuesday night update, the price/oscillator picture was ripe for the trading cycle top and with the decline on Wednesday, the daily CTI turned down triggering a short-term sell signal in association with the trading cycle top. If the decline out of this trading cycle top completes the formation of another weekly swing high, every indication will be that the retest of the intermediate-term cycle top has run its course. Based on the evidence at hand, until proven otherwise, the

assumption is that it has. This short-term sell signal will now remain intact until another daily swing low and upturn of the daily CTI are seen. A daily swing low will be completed on Friday if 2,335.00 holds and if 2,385.70 is bettered. With the timing band for the trading cycle low still ahead, any bounce at this juncture should be counter-trend and followed by continued weakness.



Our daily chart of the XAU is next. The trading cycle low here was seen on April 23rd and we knew that the price/oscillator picture was definitely ripe for the trading cycle top. Per the parameters given in the Tuesday night update, the price action on Wednesday completed the formation of a daily swing high, triggering a short-term sell signal in association with the trading cycle top. This short-term sell signal will remain intact until another daily swing low and upturn of the daily CTI are seen. At a higher level, the intermediate-term cycle top is also due and should ideally peak in conjunction with the current trading cycle top. If the decline out of this trading cycle top completes the formation of another weekly swing high, then every indication will be that the intermediate-term cycle top has likely been seen as well. A daily swing low will be completed on Friday if 141.45 holds and if 144.87 is bettered.



## Dollar

### 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

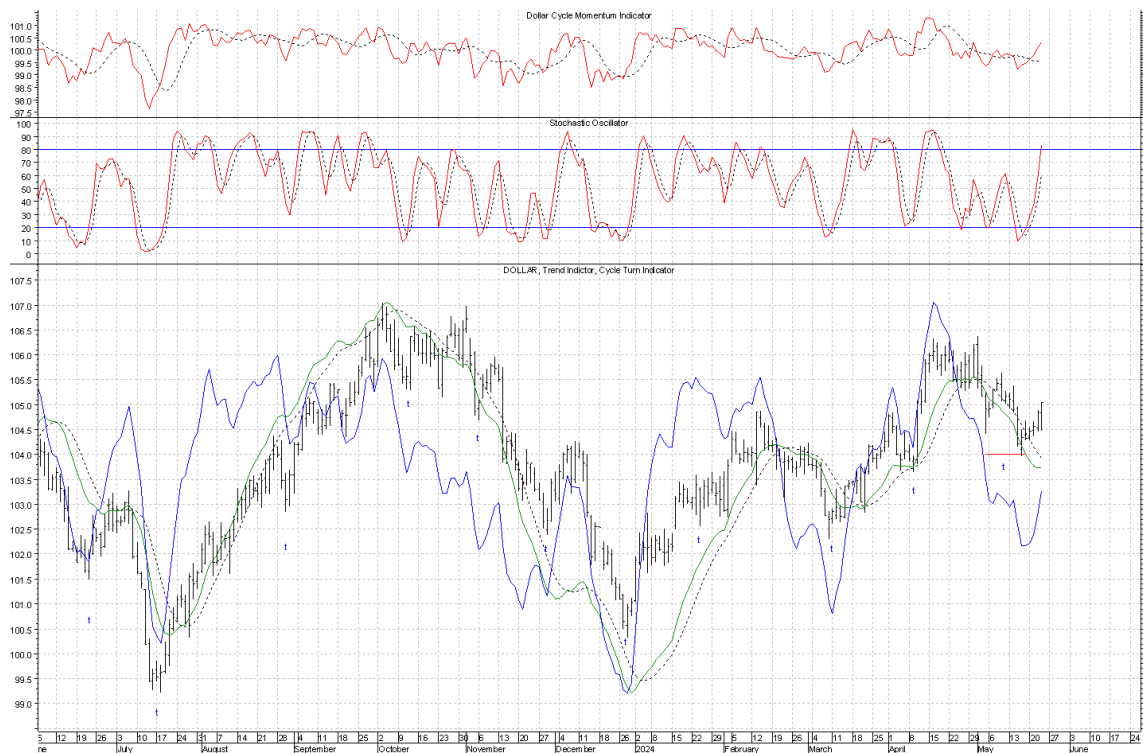
#### Confirming Indicators

Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish

#### Secondary 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. As discussed in the short-term updates last week and in the May Research Letter this past weekend, we knew that this low was either seen on May 3rd, or with the additional push down into the May 16th daily swing low. Given the continued advance this week, it has proven that this low was seen on May 16th rather than May 3rd. At a higher level, I would ideally like to see another trading cycle down into the intermediate-term cycle low, but if the advance out of this trading cycle low completes the formation of a weekly swing low, the intermediate-term cycle low should be in place. This 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 Friday if 105.04 is not bettered and if 104.47 is violated.

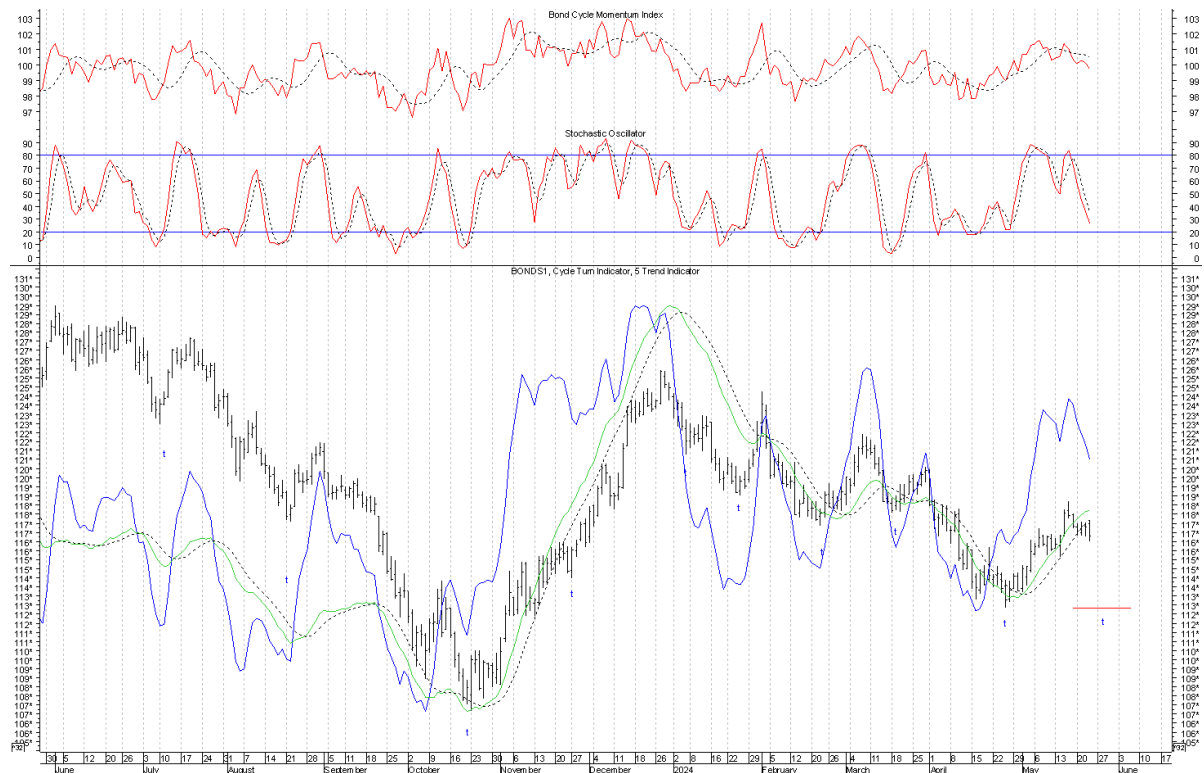


## Bonds

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

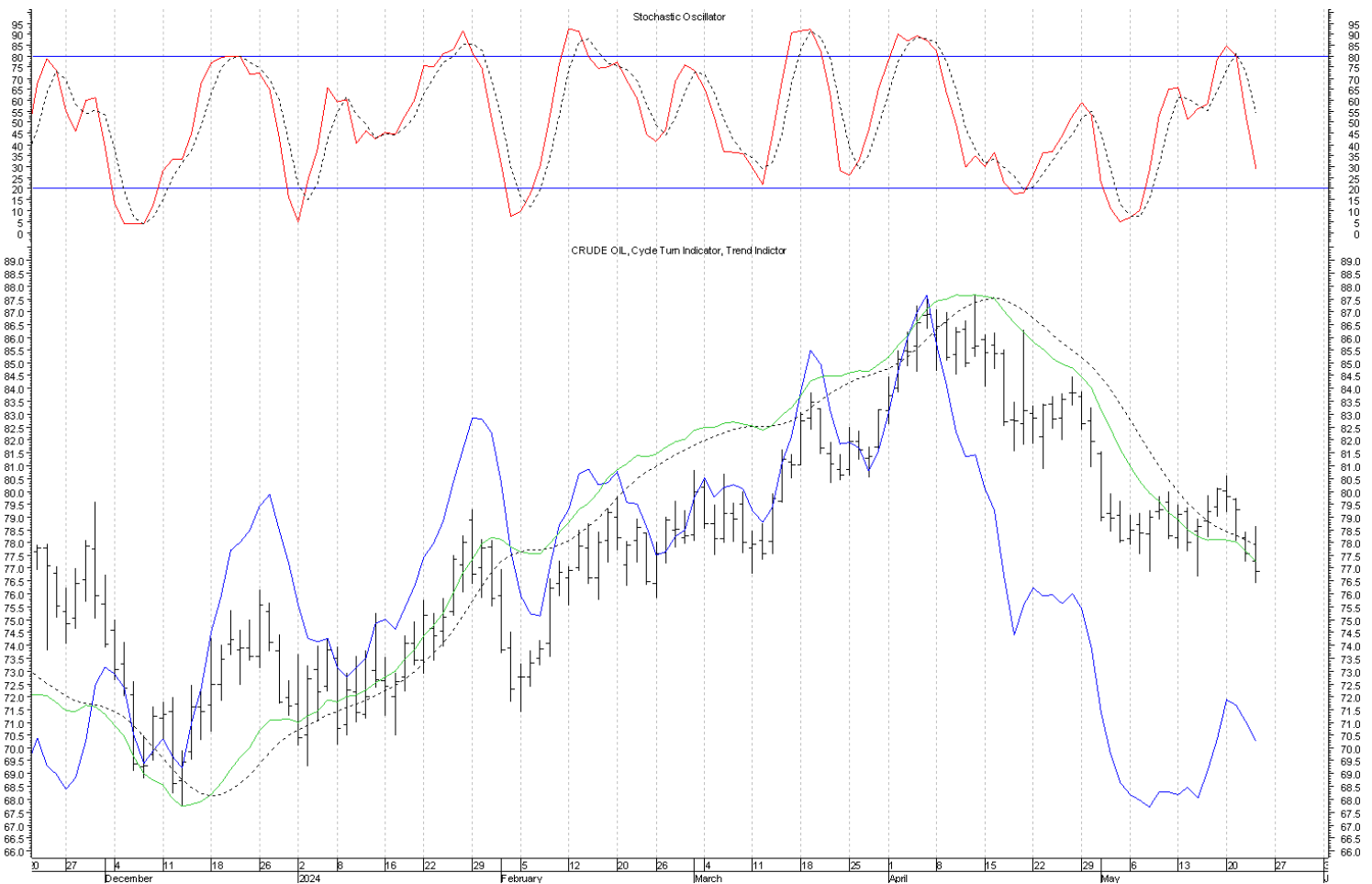
Daily Indicator Summary <b>Short-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bearish

The timing band for the now pending trading cycle low runs between May 17th and June 6th. On Tuesday Bonds completed the the formation of a daily swing low, but a short-term buy signal was not triggered and as discussed in the Tuesday night update, given the May 17th short-term sell signal and with price just having moved into the early side of the timing band for this low, I ideally wanted to see another push down into the trading cycle low. With the continued weakness on Thursday, that additional decline was realized, but based on the oscillator picture I would still like to see another few days of weakness in order to draw the 5 3 3 Stochastic into oversold territory. That said, once another daily swing low and upturn of the daily CTI are seen, the assumption will have to be that the trading cycle low is in place. 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. Accordingly, the expectation has been for the decline into the trading cycle low to be counter-trend and thus far that expectation appears to be on track. Once a short-term buy signal is triggered, this trading cycle low should be in place, leaving Bonds positioned to continue higher in association with the intermediate-term cycle advance.



## Crude Oil

On Tuesday Crude Oil completed the formation of a daily swing high and with the downturn of the daily **CTI**, a short-term sell signal was triggered. The expectation was for the advance out of the May 15th daily swing low to be counter-trend and Tuesday's sell signal left that advance at risk of having run its course. Given the continued weakness that has followed and the completion of another weekly swing high, this has proven correct. This short-term sell signal will remain intact until another daily swing low and upturn of the daily **CTI** are seen. Another daily swing low will be completed on Friday if 76.43 holds and if 78.66 is bettered.



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