

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 24, 2024

Market	Daily CTI	Daily Swing	Weekly CTI	Weekly Swing
Industrial	Negative	High	Positive	Low
Transports	Negative	High	Negative	High
NDX	Neutral	Low	Positive	Low
S&P Inverse Fund	Positive	N/A	Negative	High
CRB Index	Negative	High	Positive	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	Positive	High	Negative	Low
Natural Gas	Negative	High	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 26, 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	Bullish
New High New Low Diff	Bullish
<b>Secondary Indicators</b>	
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 <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)	Bearish
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	Bullish

The trading cycle top on the Industrials was seen on May 20th and the short-term sell signal in association with this top remains intact. With the timing band for the next trading cycle low running between May 28th and June 14th, this low should ideally still lie ahead as we move into this timing band. The expectation is for there to be at least one and ideally two additional trading cycles up in conjunction with the current intermediate-term cycle advance as the higher degree setting up of the CheckMate Chart takes form. But, if the decline into the pending trading cycle low completes the formation of a weekly swing high, it is going to leave the Industrials vulnerable in that it will leave them at risk of a left-translated intermediate-term cycle top. For now, this short-term sell signal will remain intact until another daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen. Then, once the trading cycle low is in place with the triggering of another short-term buy signal, it will be the next trading cycle advance that will serve as a structural test of the intermediate-term cycle top. In order to keep the intermediate-term cycle advance alive, the next trading cycle advance must carry price above the May 20th trading cycle top and it must do so

with a right-translated structure. Otherwise, something else is going on in that it will leave the intermediate-term cycle advance at risk of having peaked.

The expectation was for the advance out of the May 15th daily swing low in Crude Oil to be counter-trend. On Tuesday a short-term sell signal was triggered and this decline has carried Crude Oil to oversold levels. Given the continued weakness that has followed, along with the completion of another weekly swing high, that expectation proved correct. On Friday Crude Oil bounced off its low and any further advance that completes the formation of a daily swing low will leave Crude Oil positioned once again for a bounce, which once again is expected to be counter-trend.

Tuesday's short-term sell signal on Gasoline remains intact and here too, this sell signal continues to be an opportunity to cap the counter-trend advance. Natural Gas triggered a short-term sell signal on Friday. Based on the higher degree structure, the expectation has been for this advance to be counter-trend and this short-term sell signal is now an opportunity to cap that advance.

No change with the CRB Index on Friday. 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. With the continued weakness on Wednesday a short-term sell signal was triggered and every indication has been that the trading cycle top has been seen. There were no additional changes with Gold on Friday. 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.

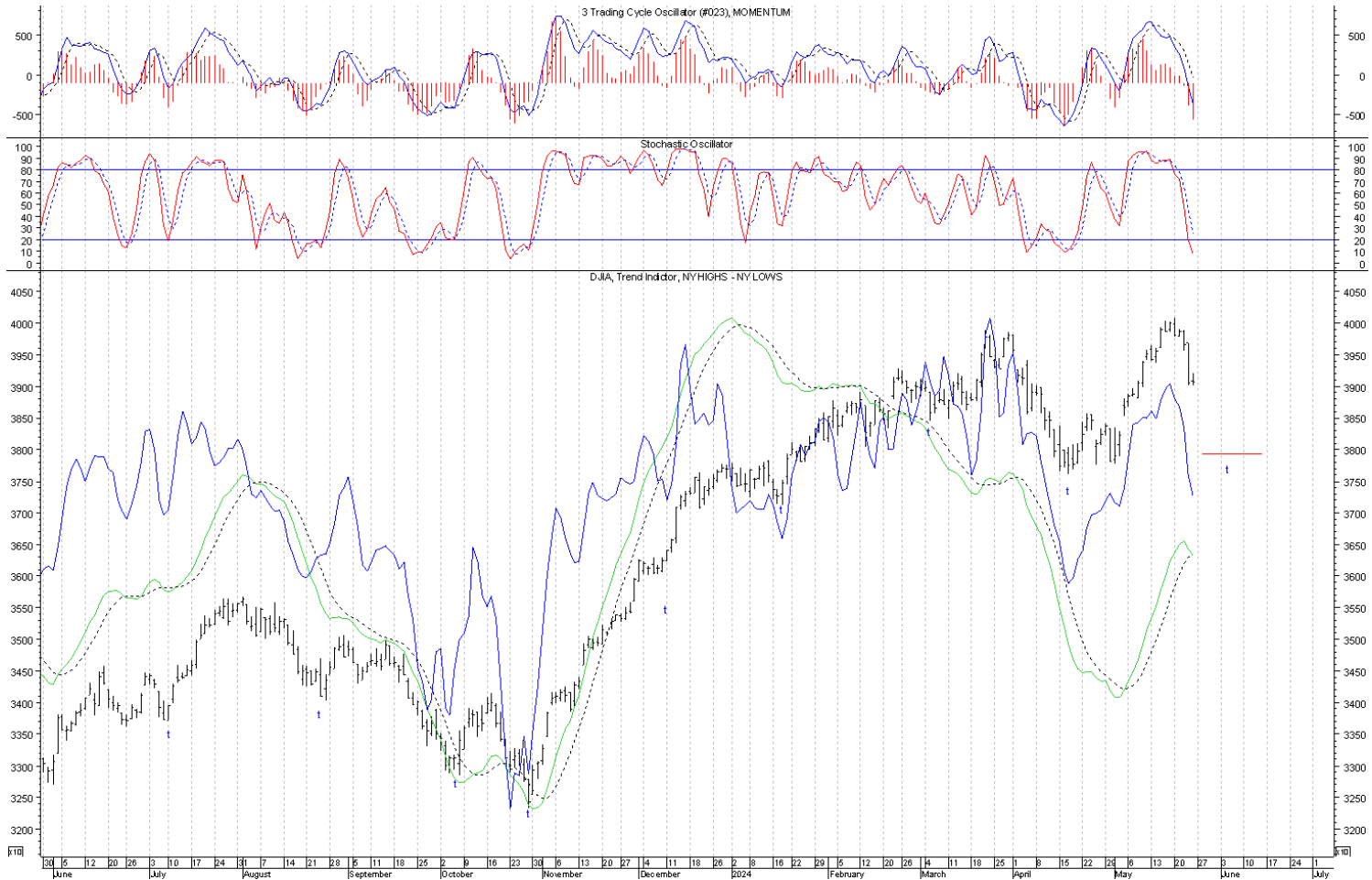
The XAU triggered a short-term sell signal on Wednesday and here too, the short-term sell signal remains intact. If this decline completes the formation of another weekly swing high, the intermediate-term cycle top should also be in place.

The advance out of the May 16th trading cycle low on the Dollar remains intact. If the advance out of this trading cycle low completes the formation of a weekly swing low in conjunction with a right-translated trading cycle advance, the intermediate-term cycle low should be in place. Otherwise, a left-translated trading cycle advance will leave the Dollar positioned for another trading cycle down into the intermediate-term cycle low. The May 17th short-term sell signal on Bonds remains intact and now with price having moved into the middle portion of the timing band for the trading cycle low, this low should be in place once a daily swing low and upturn of the daily CTI are seen. The expectation is for the pending trading cycle advance to carry the long-Bond higher in conjunction with the intermediate-term cycle advance, which should begin to put increased pressure on rates as we move toward the initiation of the rate cutting cycle.

**The Intermediate-Term Advancing Issues Line, plotted in red, ticked up on Friday, but the overall downturn continues to be reflective of the trading cycle top. The Green MA continues its upturn and above the Black MA, which in doing so is reflective of the intermediate-term cycle low.**

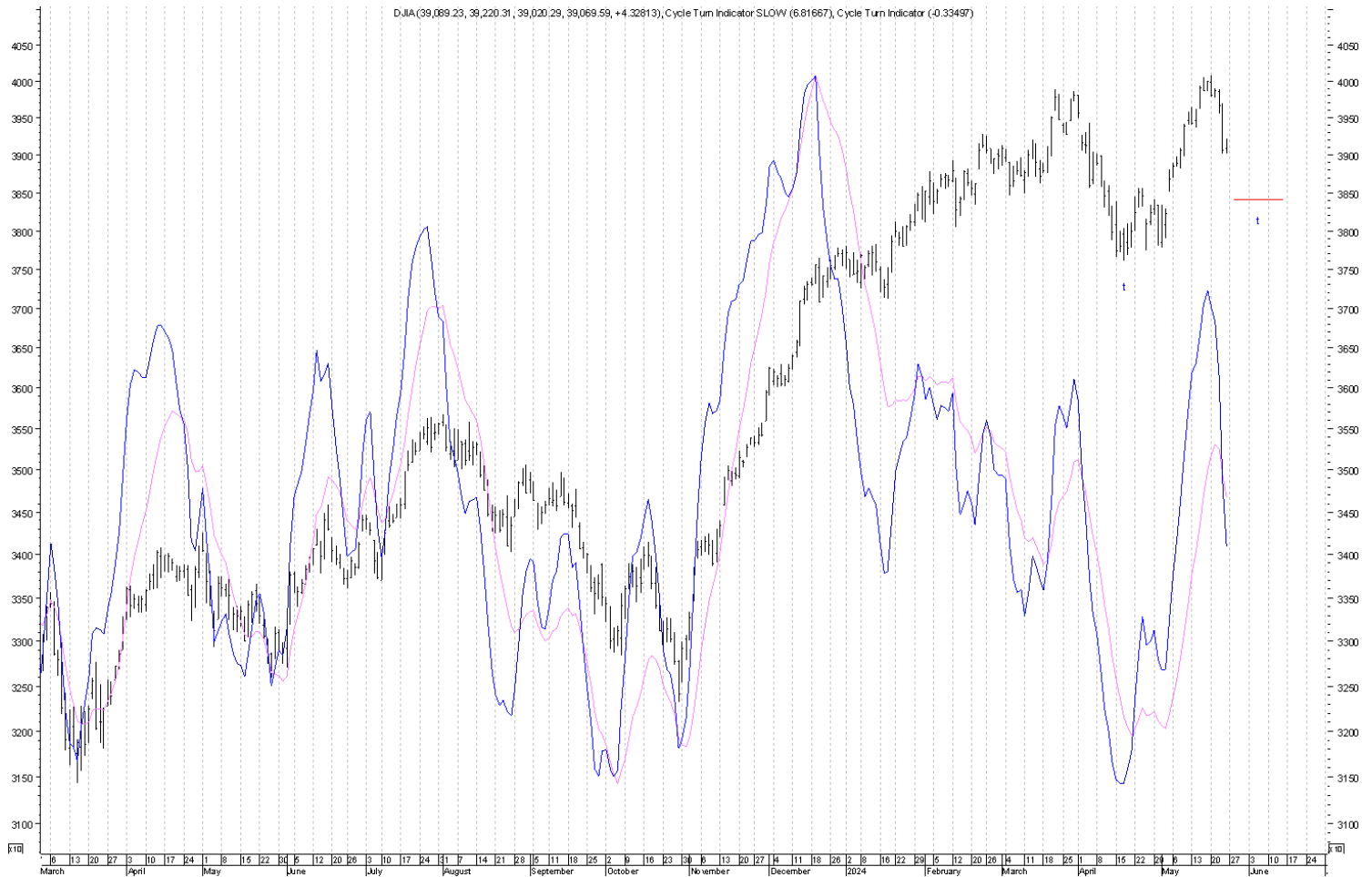


The **Trading Cycle Oscillator** in the upper window continues its downturn as does the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window also continues its downturn and has now moved into oversold territory. Collectively, these oscillators have been suggestive of a top and now they have begun to be suggestive of the pending trading cycle low. The **New High/New Low Differential**, plotted with price, also continues its downturn in association with the decline into the trading cycle low. The **Trend Indicator** has turned marginally below its trigger line. Note the divergence that has formed here since the January high. Such divergences are typical as we move into seasonal and higher degree cycle tops.

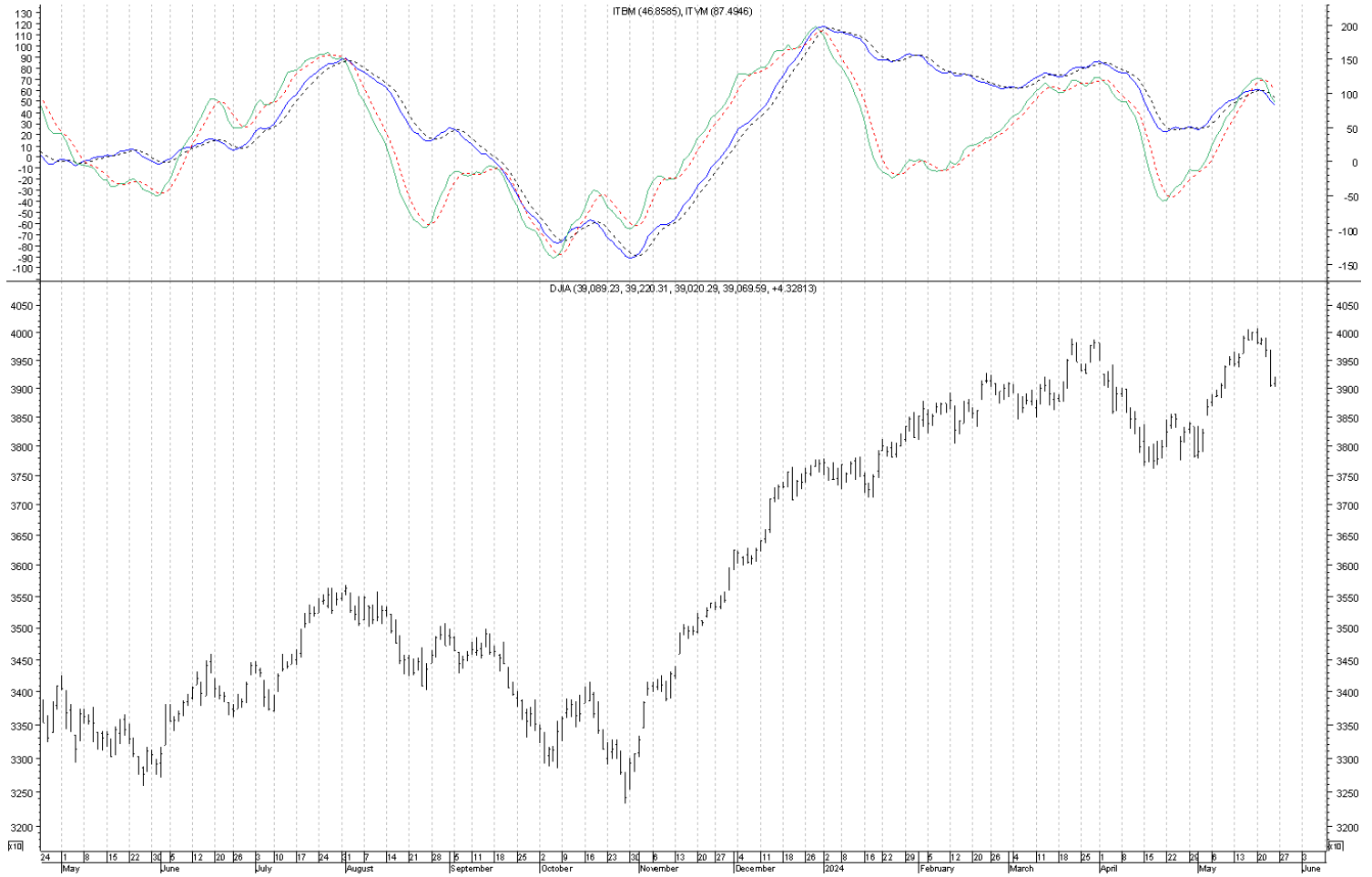


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

**Bottom line, the trading cycle low should still lie ahead and the short-term sell signal in association with the decline out of the trading cycle top will remain intact until another daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen.**

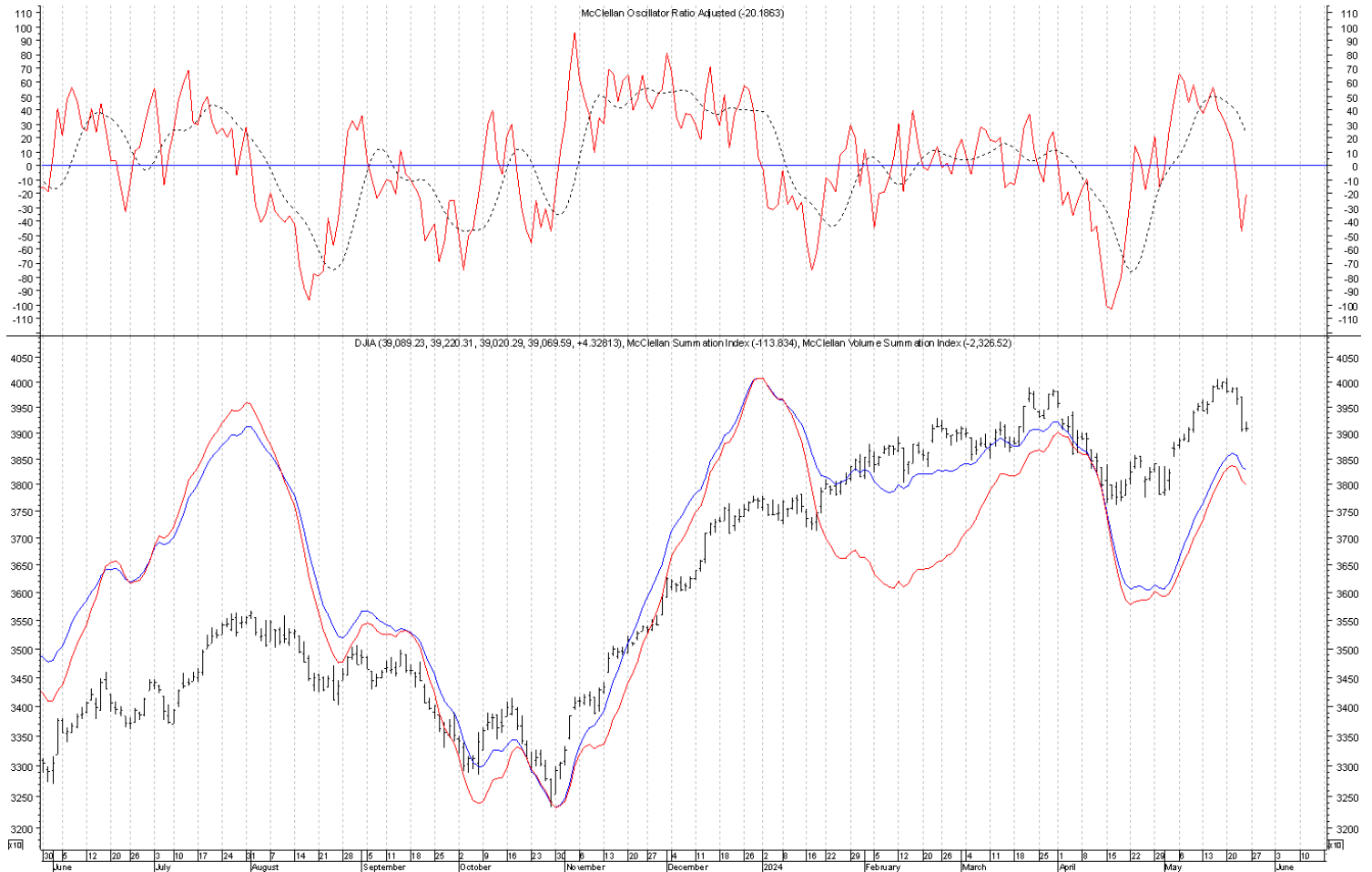


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** continue their downturns in association with the decline out of the trading cycle top.

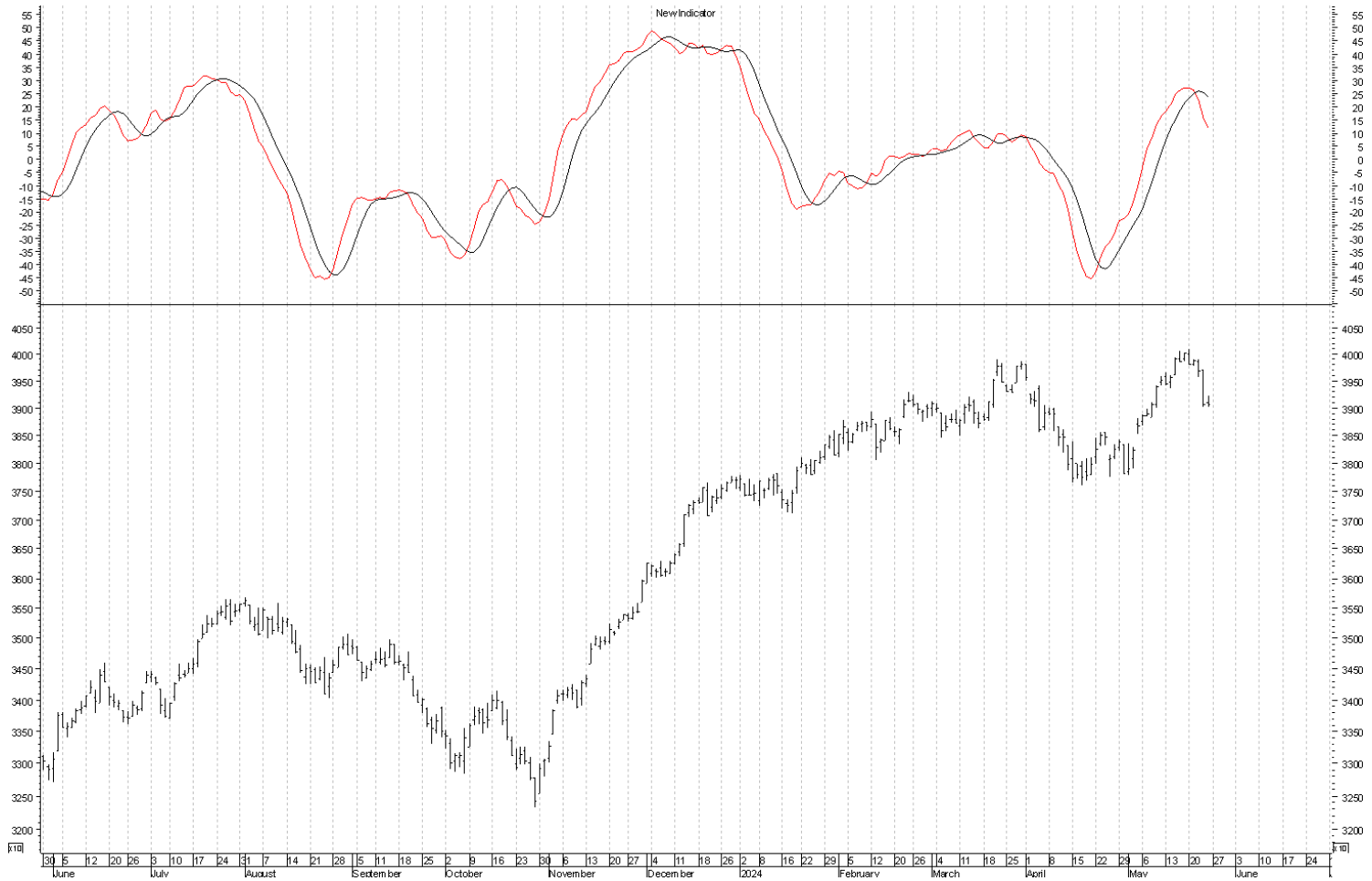




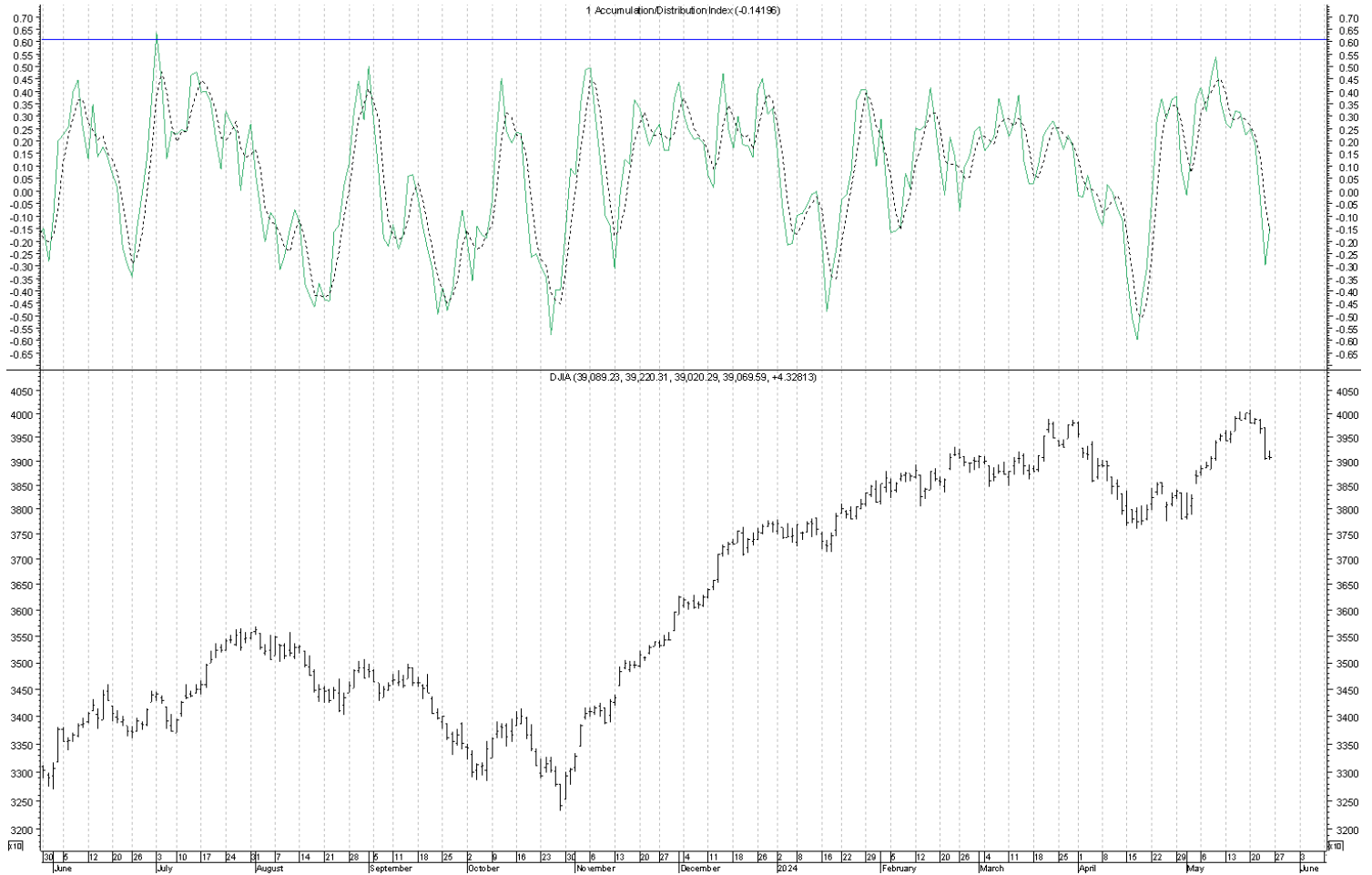
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their downturns in association with the decline into the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window has ticked up, but until it crosses back above its trigger line, it is still considered negative as we use it. The triggering of a short-term buy signal and crossing above both the trigger and zero lines should serve as confirmation of the trading cycle low.



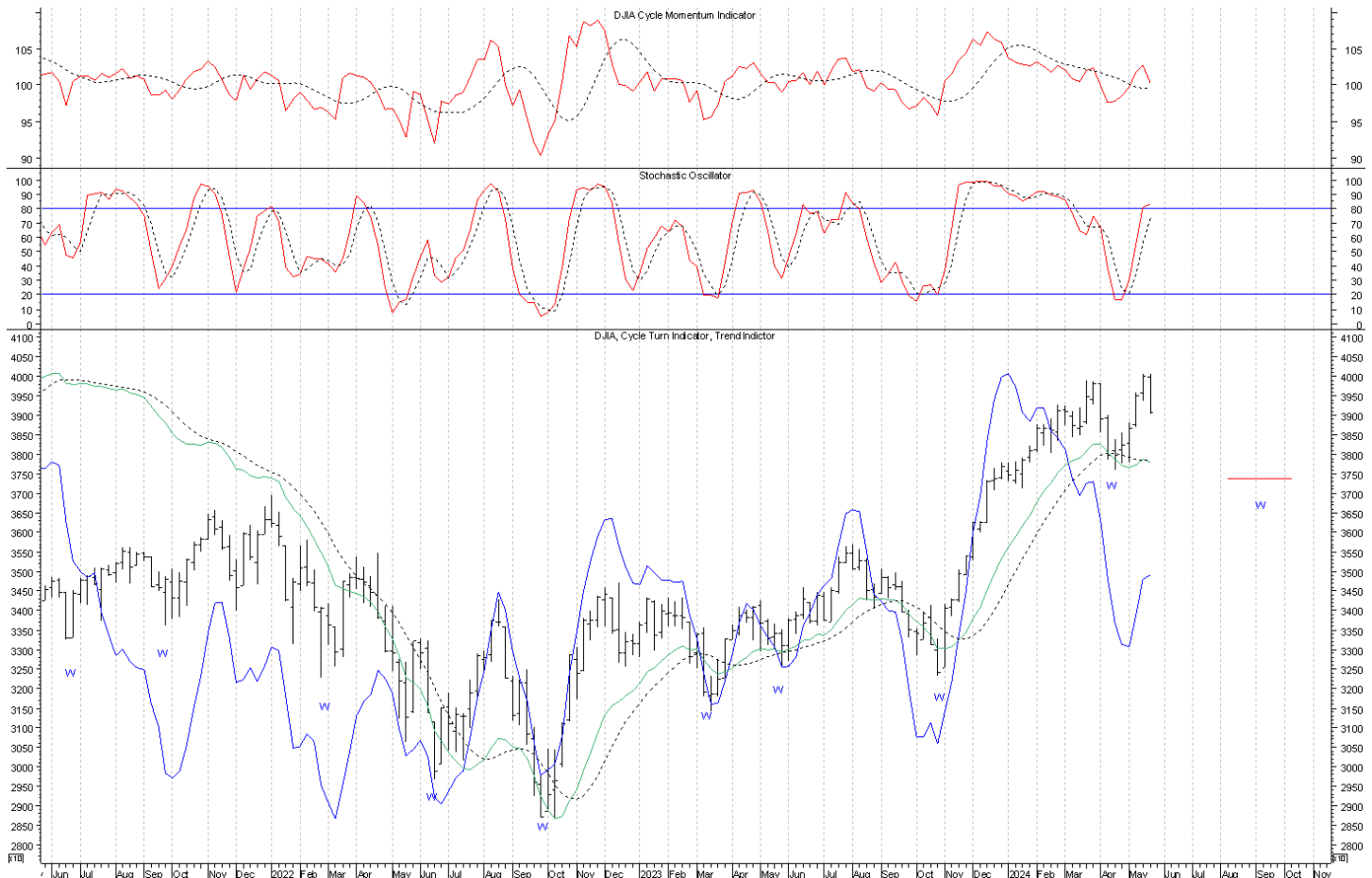
The smoothed McClellan oscillator continues its downturn below the trigger line in association with the decline into the trading cycle low. If the decline into the trading cycle low completes the formation of a weekly swing high that is confirmed by the triggering of an intermediate-term sell signal, such development would be concerning with regard to the intermediate-term cycle top, particularly if the next trading cycle advance should fail to continue higher with a right-translated structure.



The **Accumulation/Distribution Index** has ticked up, which is now hinting of the trading cycle low, but ideally this low should still lie ahead as we move into the timing band for this low. Another downturn of this indicator will be suggestive of what should be the ending push into the trading cycle low whereas any continued upturn will continue telegraphing the pending low.



Our weekly chart of the Industrials is next. The timing band for the recent intermediate-term cycle low ran between February 16th and April 19th. This low proved to have been seen in conjunction with the April 17th trading cycle low and the expectation is for continued strength as we move up into the 3rd quarter in association with the anticipated setting up of the CheckMate Chart. If this past week's reversal is followed by continued weakness that completes the formation of a weekly swing high, then such development will leave the Industrials vulnerable to the possibility of a left-translated intermediate-term cycle top. Should this occur, it will be the advance out of the pending trading cycle low that will serve as the structural test of any such top and it will also be with the advance out of this low in which the opportunity to correct any such development will come. For now, this intermediate-term buy signal will remain intact until another weekly swing high and downturn of the weekly CTI are seen and the expectation is for this intermediate-term cycle advance to ultimately carry the Industrials higher in conjunction with the setting up of the CheckMate Chart as we move into the 3rd quarter. Otherwise, evidence of a left-translated intermediate-term cycle will be suggestive that something else is going on. The timing band for the next intermediate-term cycle low runs between August 9th and October 11th. For now, the focus remains on this intermediate-term advance and the initiation of the rate cutting cycle as this intermediate-term cycle advance unfolds. All other factors aside, this intermediate-term buy signal will remain intact until another weekly swing high and downturn of the weekly CTI are seen. A weekly swing high will be completed in the coming week if 40,077.40 is not bettered and if 39,020.29 is violated.

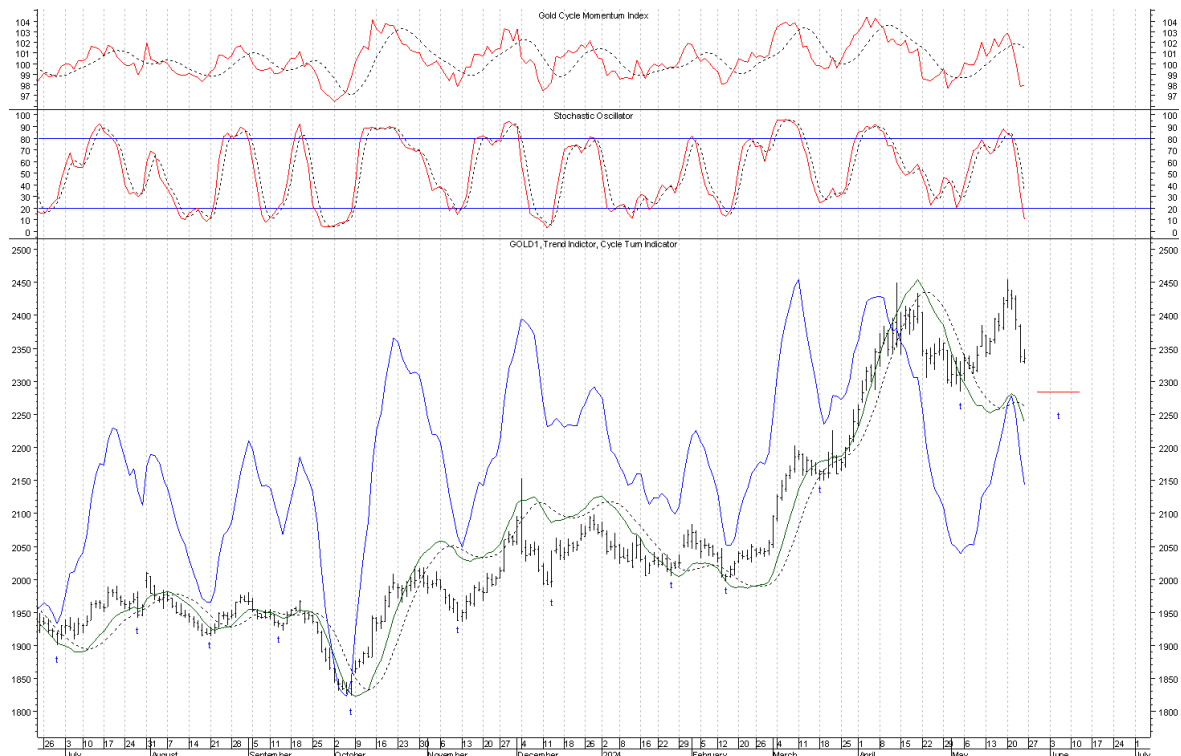


## Gold

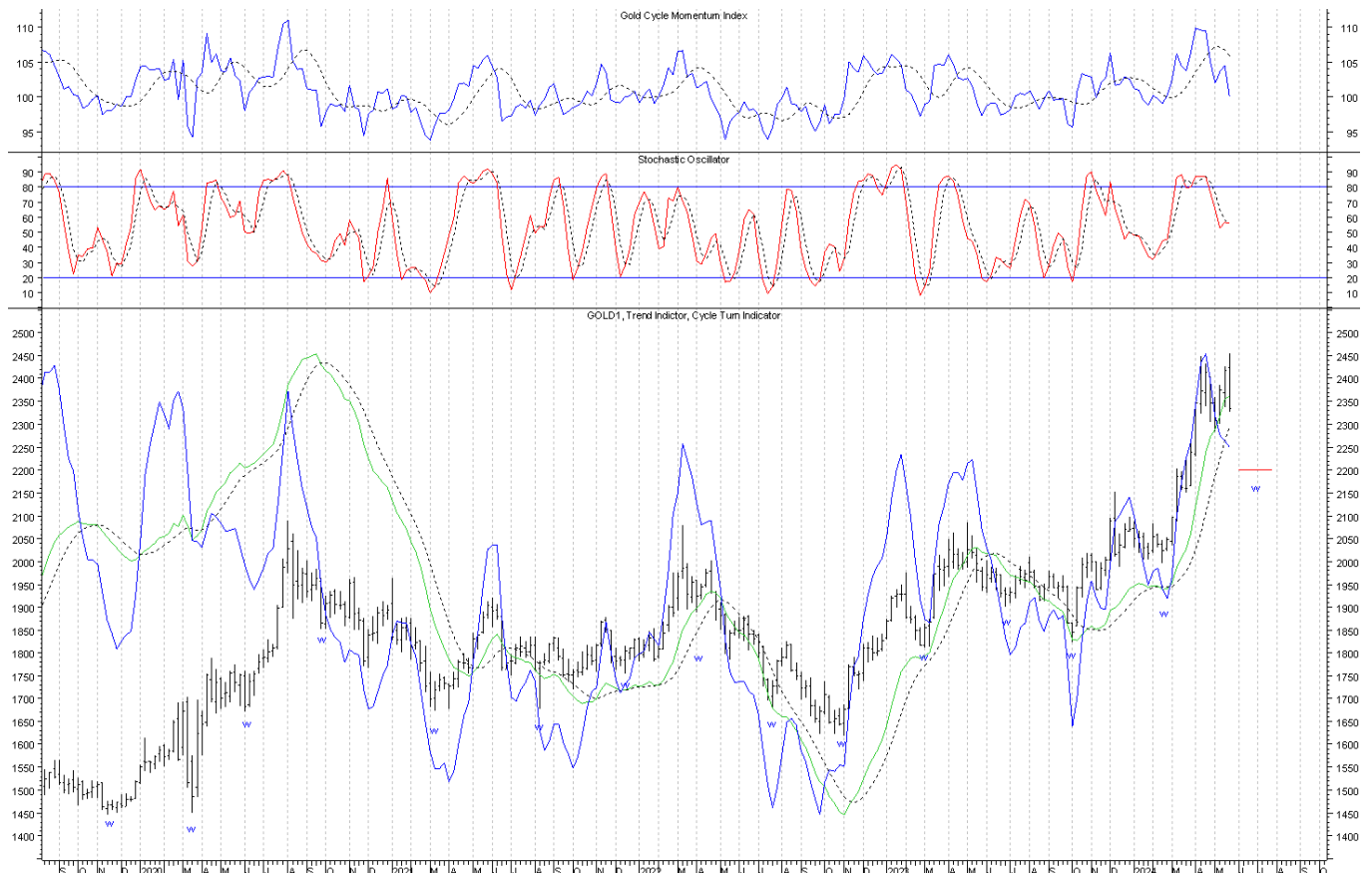
End of Week Intermediate-Term Indicator Summary <b>Intermediate-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
<b>Secondary Indicators</b>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

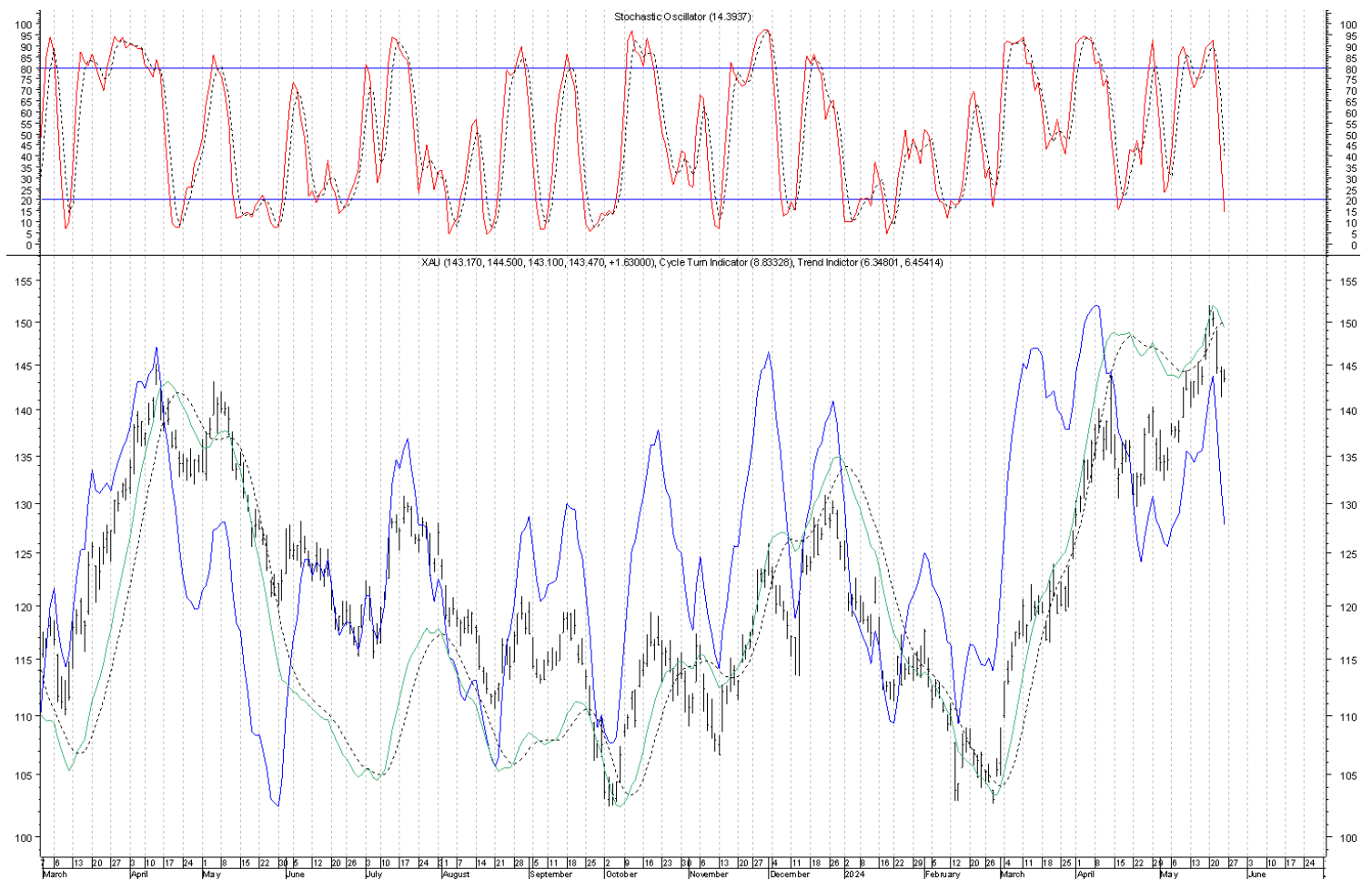
The trading cycle low was seen on May 3rd and the timing band for the next trading cycle low runs between May 29th and June 12th. Based on the cyclical phasing, the April 26th intermediate-term sell signal and the accompanying oscillator picture, we knew that this trading cycle advance was expected to 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 Tuesday 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 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. The week of May 10th Gold completed the formation of a weekly swing low in association with the advance out of the May 3rd trading cycle low. We knew that this advance would serve as a retest of the intermediate-term cycle top, which it did. In the process, the April high was marginally bettered, but with the weekly **CTI** remaining negative, an intermediate-term buy signal was not triggered and now given this past week's reversal lower, every indication is that the retest of the intermediate-term cycle top has run its course, leaving Gold positioned for the decline into the intermediate-term cycle low, which should lie just ahead. 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 suggestive of the intermediate-term cycle top and the ongoing intermediate-term sell signal will remain intact until another weekly swing low AND upturn of the weekly **CTI** are seen. Another weekly swing high will be completed in the coming week if 2,454.20 is not bettered and if 2,326.30 is violated.

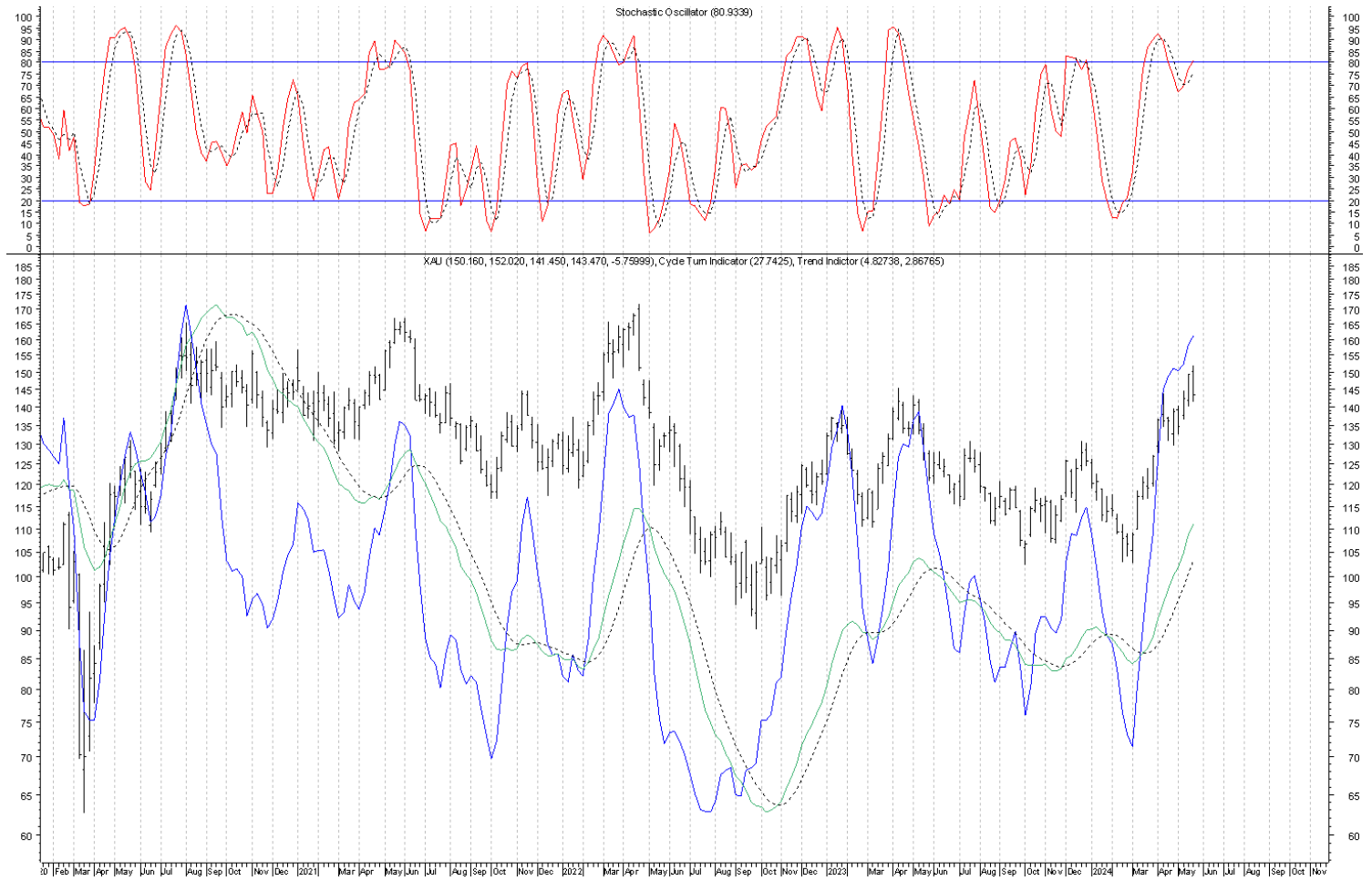


Our daily chart of the XAU is next and with Friday being an inside day, there were no additional changes. The trading cycle low was seen on April 23rd and we knew that the price/oscillator picture had definitely been ripe for the trading cycle top. Per the parameters given in the Tuesday night update, 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, as with Gold, the intermediate-term cycle top is also due and this additional trading cycle up should have been in conjunction with an ending push up into that higher degree 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. 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 Tuesday if 141.45 holds and if 144.87 is bettered.





Our weekly chart of the XAU is next. The price action the week of May 3rd completed the formation of a weekly swing low. As with Gold, we knew the price/oscillator picture was suggestive of the intermediate-term cycle top and that the advance in association with the May 3rd completion of a weekly swing low would serve as a test of the intermediate-term cycle top. Here too, the April high was exceeded, but by a wider margin in association with what proved to be an additional leg up into the intermediate-term cycle top. This past week's reversal lower and the accompanying oscillator picture are once again suggestive of this top. Once a weekly swing high is formed and confirmed by a downturn of the weekly **CTI**, an intermediate-term sell signal will be triggered and the intermediate-term cycle top should be in place. Another weekly swing high will be completed in the coming week if 152.02 is not bettered and if 141.45 is violated.





## 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

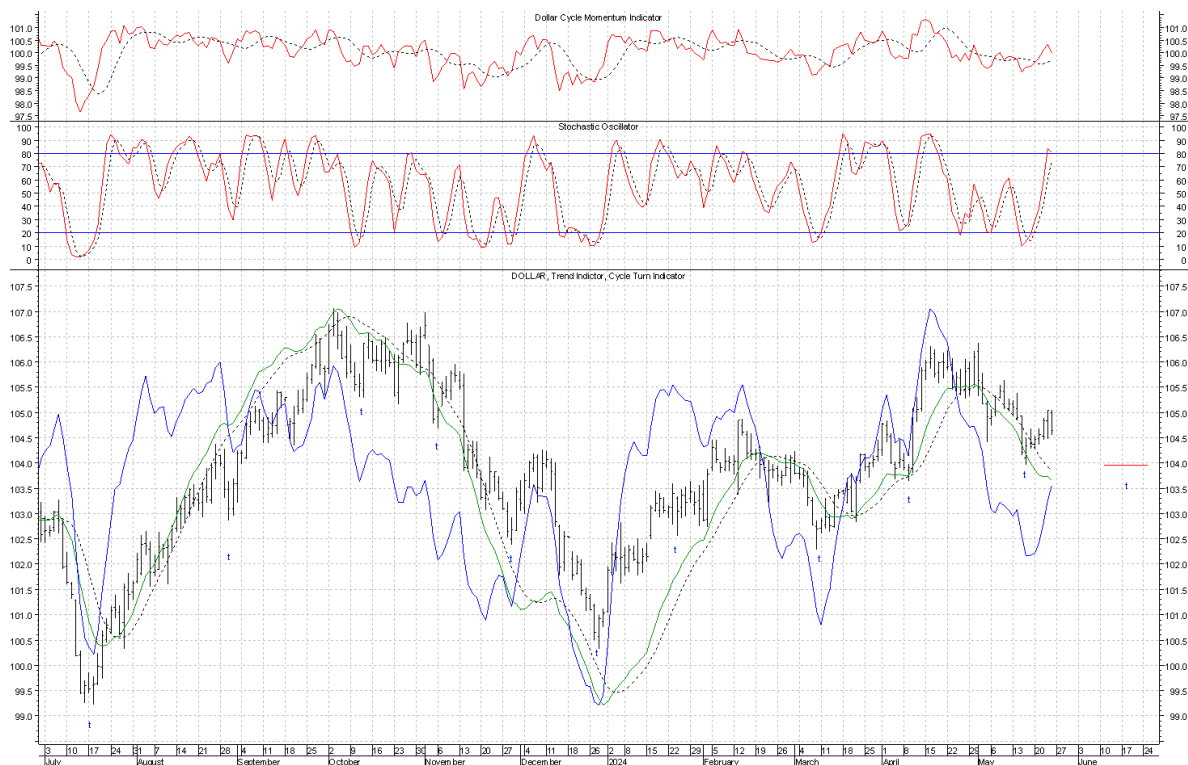
#### Confirming Indicators

Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish

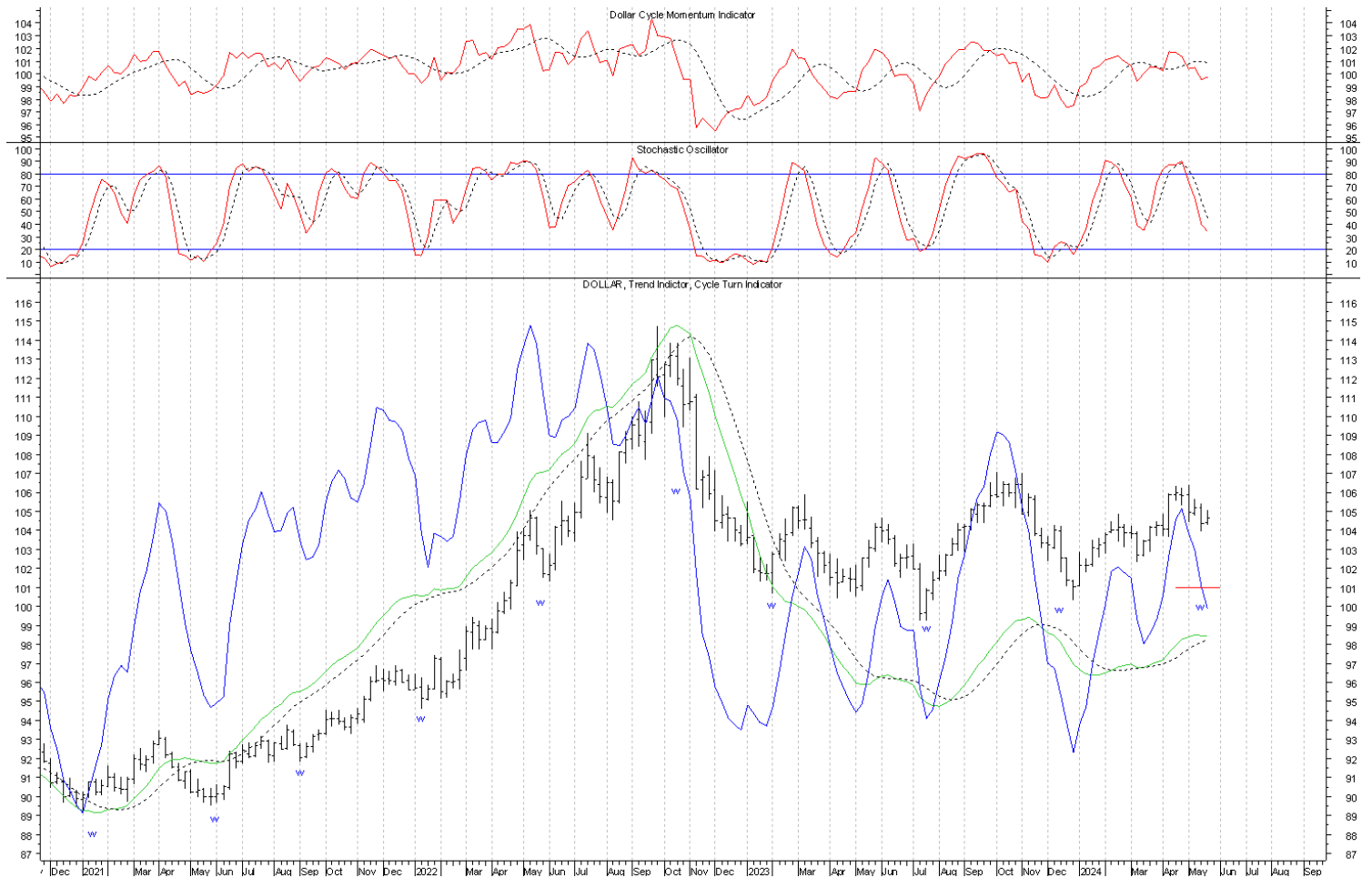
#### Secondary Indicators

5 3 3 Stochastic	Bullish
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The trading cycle low was seen on May 16th and the timing band for the next trading cycle low runs between June 11th and June 25th. This advance has carried price to overbought levels, per the 5 3 3 Stochastic, which again makes conditions ripe for a top. At a higher level, I would still 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 trading cycle is structurally key with regard to the higher degree intermediate-term cycle low and 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 Tuesday if 105.05 is not bettered and if 104.55 is violated.



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. Based on this timing, the intermediate-term cycle low should have ideally been seen in conjunction with the May 16th trading cycle low, but as stated above, I would still like to see one more trading cycle down into this low. If the advance out of the May 16th trading cycle low completes the formation of a weekly swing low that is also accompanied by a right-translated trading cycle advance, then we should have the intermediate-term cycle low in place. Otherwise, a left-translated trading cycle advance will leave the Dollar positioned for another trading cycle down into the intermediate-term cycle low. Therefore, the current trading cycle is key with respect to the confirmation of this intermediate-term cycle low. 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. The advance out of the pending intermediate-term cycle low will now serve as the next structural test of the higher degree seasonal cycle top. More on that once the intermediate-term cycle low is in place. Another weekly swing low will be completed in the coming week if 103.96 holds and if 105.38 is bettered.

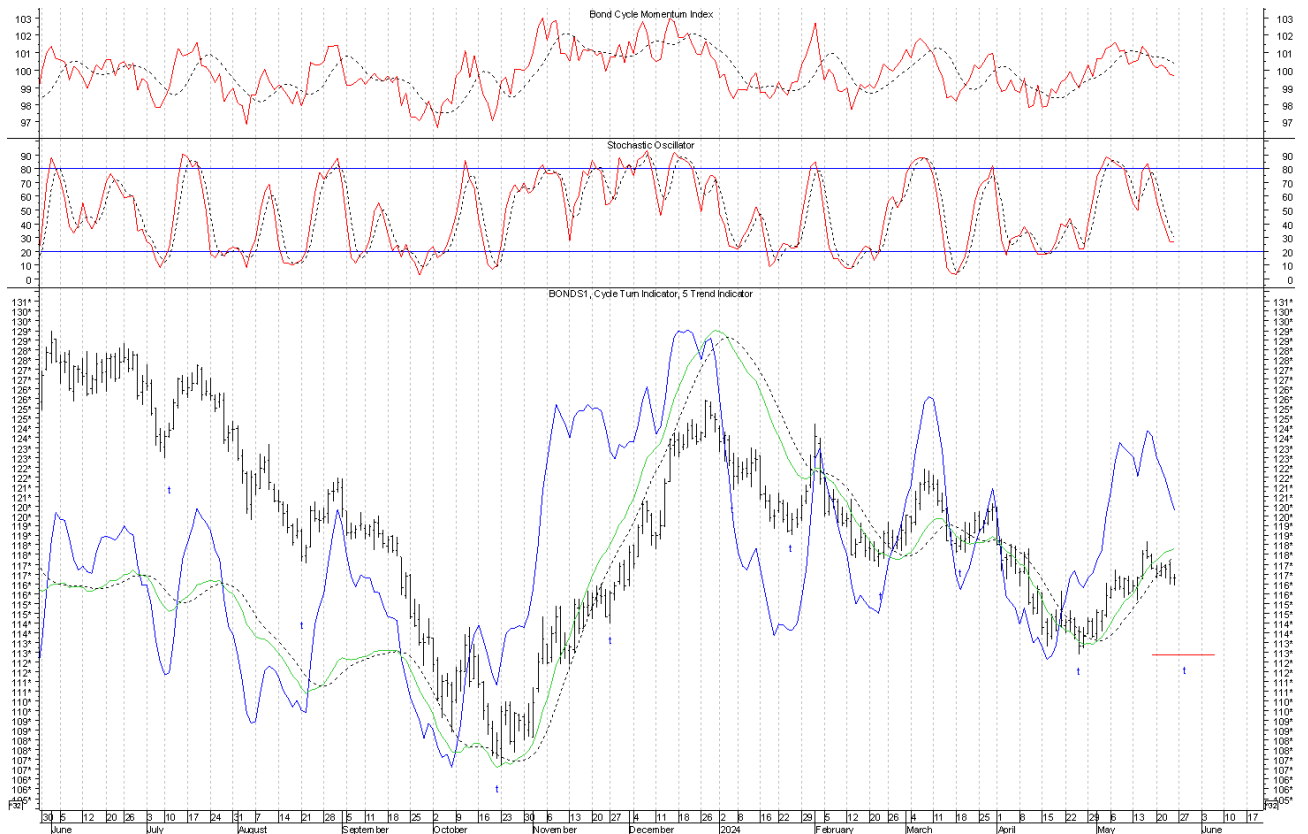


## Bonds

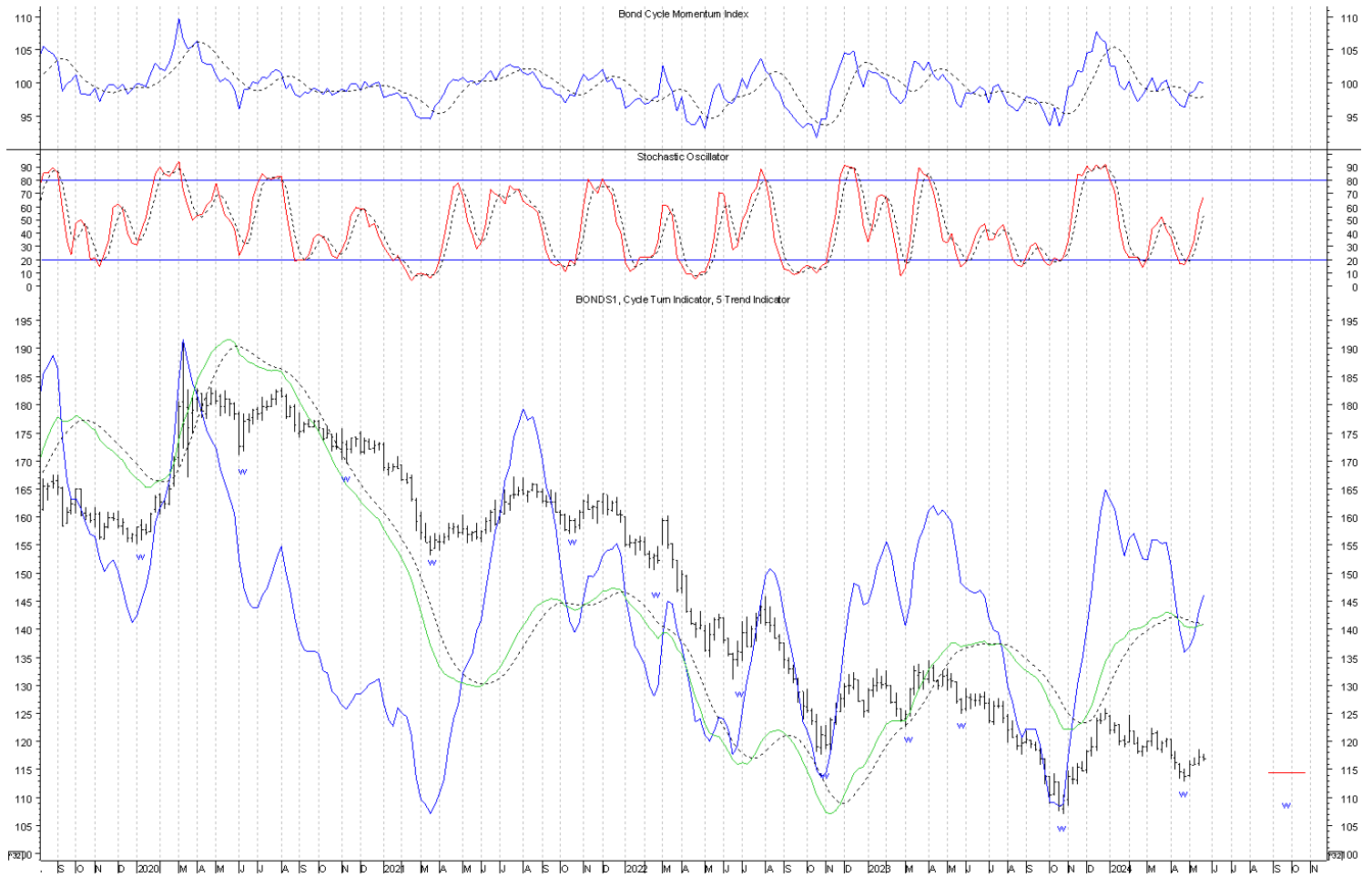
End of Week Intermediate-Term Indicator Summary <b>Intermediate-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
<b>Secondary Indicators</b>	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

Daily Indicator Summary <b>Short-Term 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. With price now having moved into the middle portion of the timing band for this low, once a daily swing low and upturn of the daily CTI are seen, this low should be 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, the trading cycle low should be in place, leaving Bonds positioned to continue higher in association with the intermediate-term cycle advance.

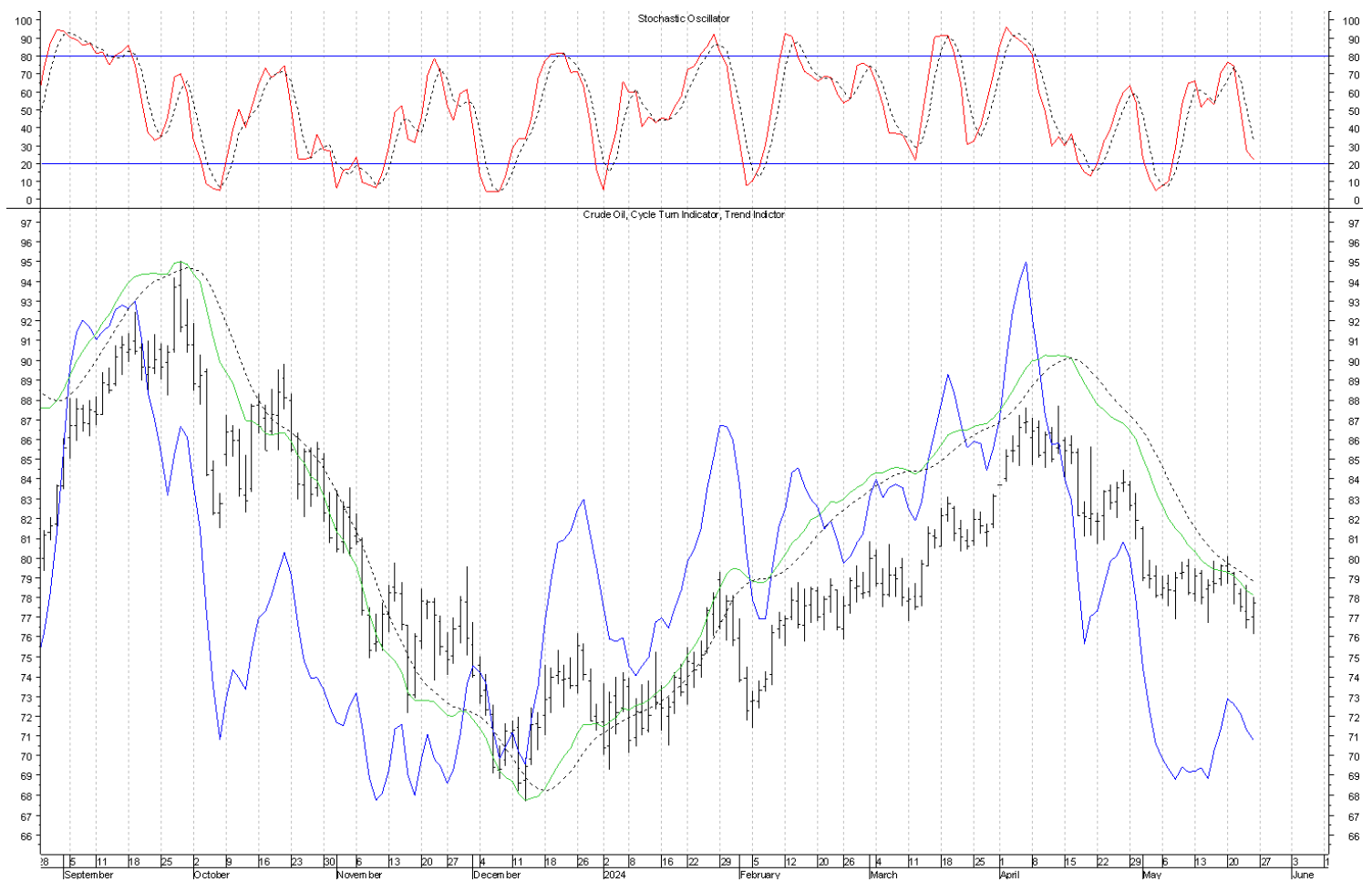


The intermediate-term cycle low was seen in conjunction with the April 25th trading cycle low and the timing band for the next intermediate-term cycle low runs between August 30th and October 25th. Given the evidence of the intermediate-term cycle low, the expectation was for the decline out of the May 16th trading cycle top to be a counter-trend structural test of the intermediate-term cycle low. While the trading cycle low has not yet been seen, that low is now due and every indication is that this expectation is on track. Once the pending trading cycle low is in place, the expectation is for higher prices in association with the intermediate-term cycle advance. Otherwise, something else is going on. Bottom line, the evidence is suggestive of the intermediate-term cycle low and the intermediate-term buy signal will remain intact until another weekly swing high and downturn of the weekly CTI, plotted with price, are seen.

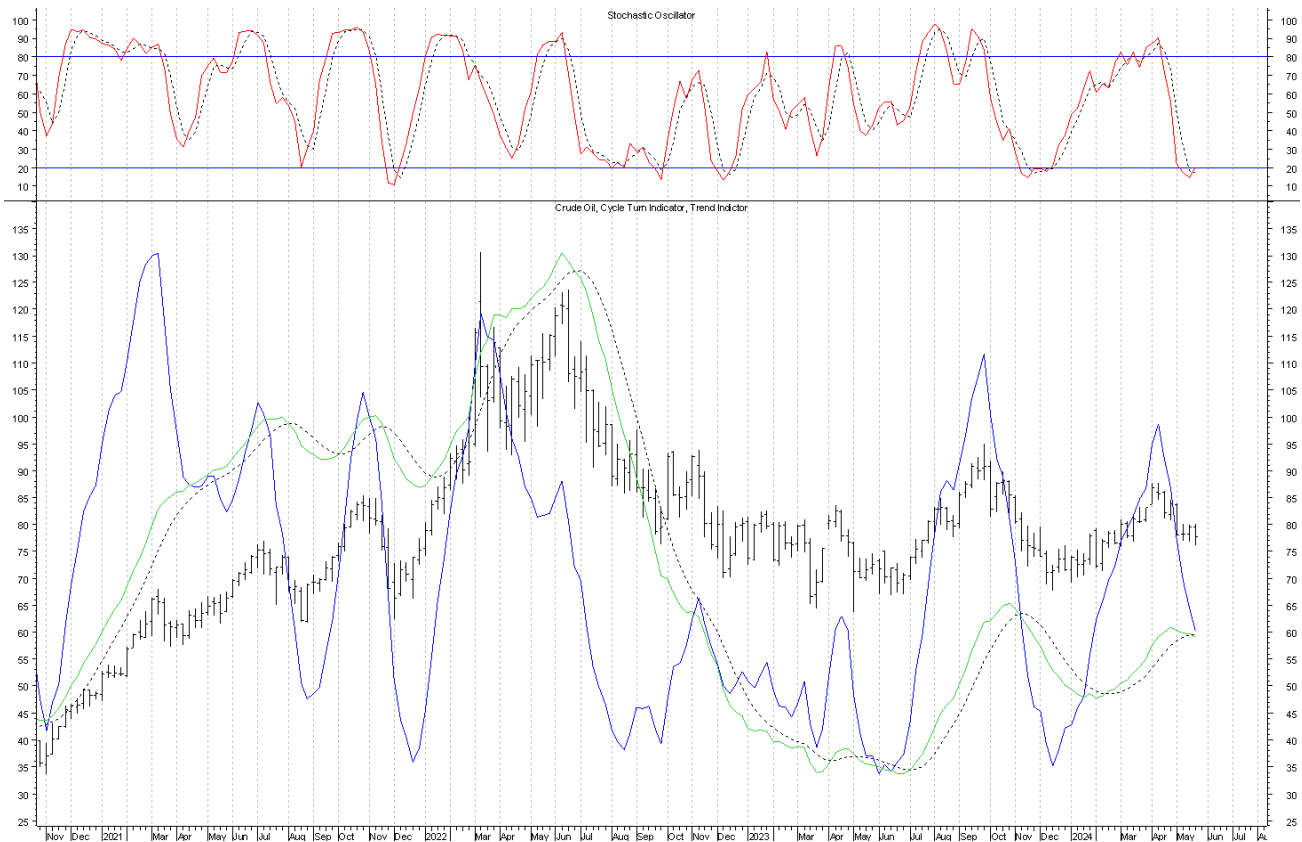


## Crude Oil

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. On Friday Crude Oil bounced off its low and any further advance that completes the formation of a daily swing low will leave Crude Oil positioned once again for a bounce, which once again is expected to be counter-trend. For now, 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 Tuesday if 76.15 holds and if 78.05 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. The decline that has followed has carried price to oversold levels, per the 5 3 3 Stochastic, making conditions ripe for a bounce. Ideally I would still like to see another trading cycle down into the intermediate-term cycle low, but if the advance in conjunction with the next short-term buy signal completes the formation of a weekly swing low, then it may be that we are seeing the intermediate-term cycle low in conjunction with the current trading cycle low rather than with another trading cycle down. More on that as we get there. 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 has formed this month 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, leaving Crude Oil positioned for overall continued weakness in association with that higher degree cycle top. The next structural test of this higher degree setup will come with the advance out of the pending intermediate-term cycle low. For now, this 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 76.15 holds and if 80.11 is bettered.



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