

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 28, 2024

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

\*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 28, 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
*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	Bullish
<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	Bearish

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 now due trading cycle low running between May 28th and June 14th, we knew that this low should ideally still lie ahead as we moved into this timing band. Given that Tuesday marked the first day of the timing band for this low, once a daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen, this low should now be in place. At a higher level, the additional weakness into this trading cycle low has completed the formation of a weekly swing high this week and with the downturn of the weekly CTI, this now leaves the Industrials at risk of the higher degree intermediate-term cycle top, which at this juncture would be left-translated and such a development would in turn leave the Industrials at risk of the higher degree cycle tops. 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. If so, the advance out of the pending trading cycle low must correct the current formation of weekly swing high and it must do so

with a right-translated trading cycle advance. If not, then such failure will serve as further evidence of a left-translated intermediate-term cycle top in association with the higher degree cycle tops and that the setup with the CheckMate Chart is taking a different form more like that seen in conjunction with the 2000 top rather than the setups seen in conjunction with the 2007 and 2020 tops in which the Industrials peaked last. More on that as this develops. 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 absolutely be key with regard to the intermediate-term cycle top. Again, 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.

On Friday Crude Oil bounced off its low and as discussed in the weekend update, the continued advance on Tuesday triggered a short-term buy signal, leaving Crude Oil positioned once again for a bounce, which once again is expected to be counter-trend. Gasoline also completed the formation of a daily swing

low on Tuesday triggering a short-term buy signal, which here too should be counter-trend.

Natural Gas triggered a short-term sell signal on Friday and that signal remains intact. Based on the higher degree structure, the expectation has been for the recent advance to be counter-trend and this short-term sell signal is now an opportunity to cap that advance. The CRB Index retriggered a short-term

buy signal on Tuesday. While the higher degree intermediate-term cycle top should be at hand, this short-term buy signal will remain intact until another daily swing high and downturn of the daily CTI are seen. Structurally, this intermediate-term buy signal should be in association with an ending push into the intermediate-term cycle top

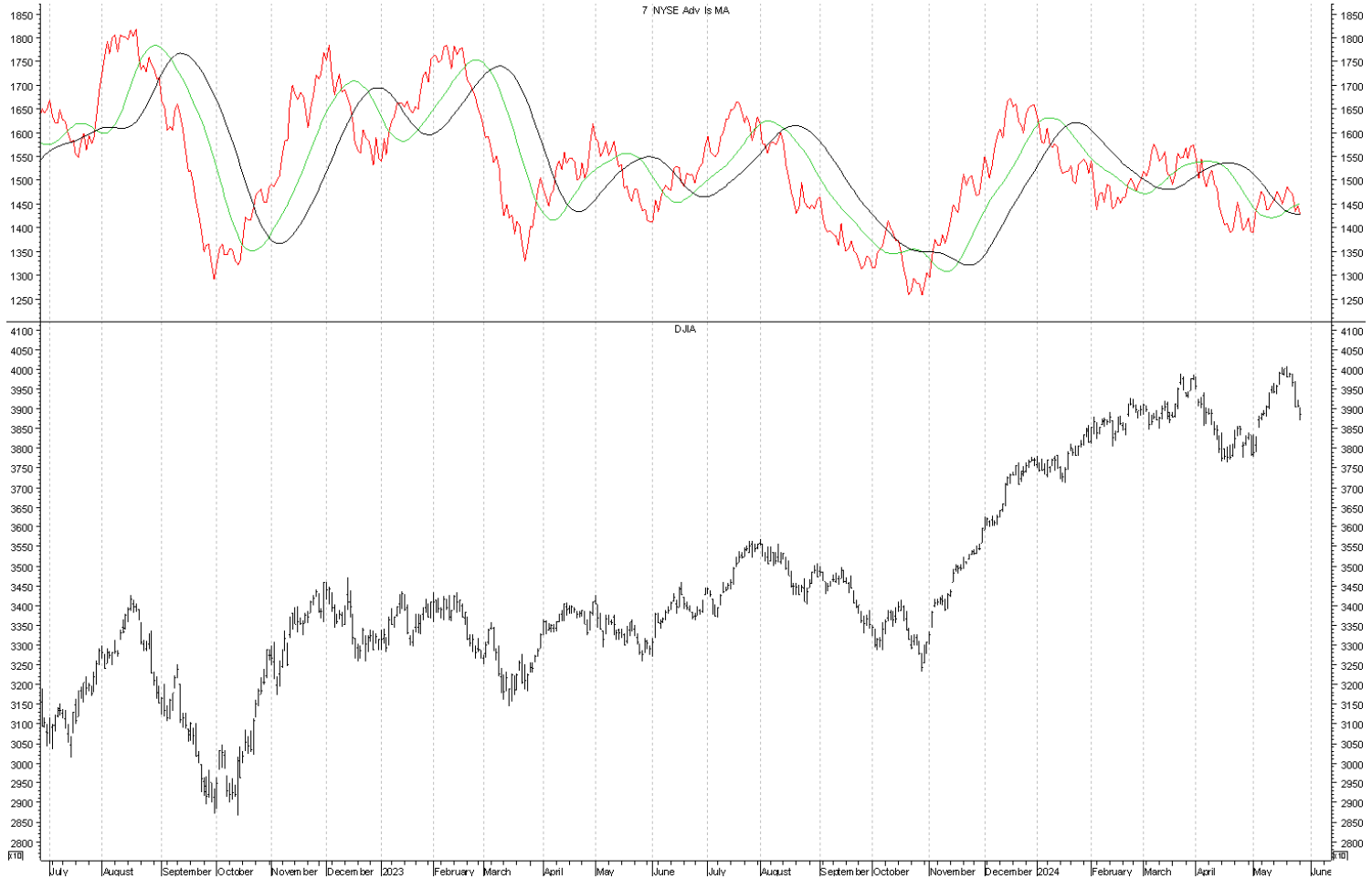
Gold completed the formation of a daily swing low on Tuesday and any further advance on Wednesday that turns the daily CTI up will trigger another short-term buy signal. With the timing band for the trading cycle low still ahead, Tuesday's completion of a daily swing low should ideally be followed by another leg down into the trading cycle low. But, if a short-term buy signal is triggered, then this low may be in place. The XAU triggered a short-term buy signal on

Tuesday as well. Here too, this advance should ideally be counter-trend, but may possibly prove to be another push into the intermediate-term cycle top.

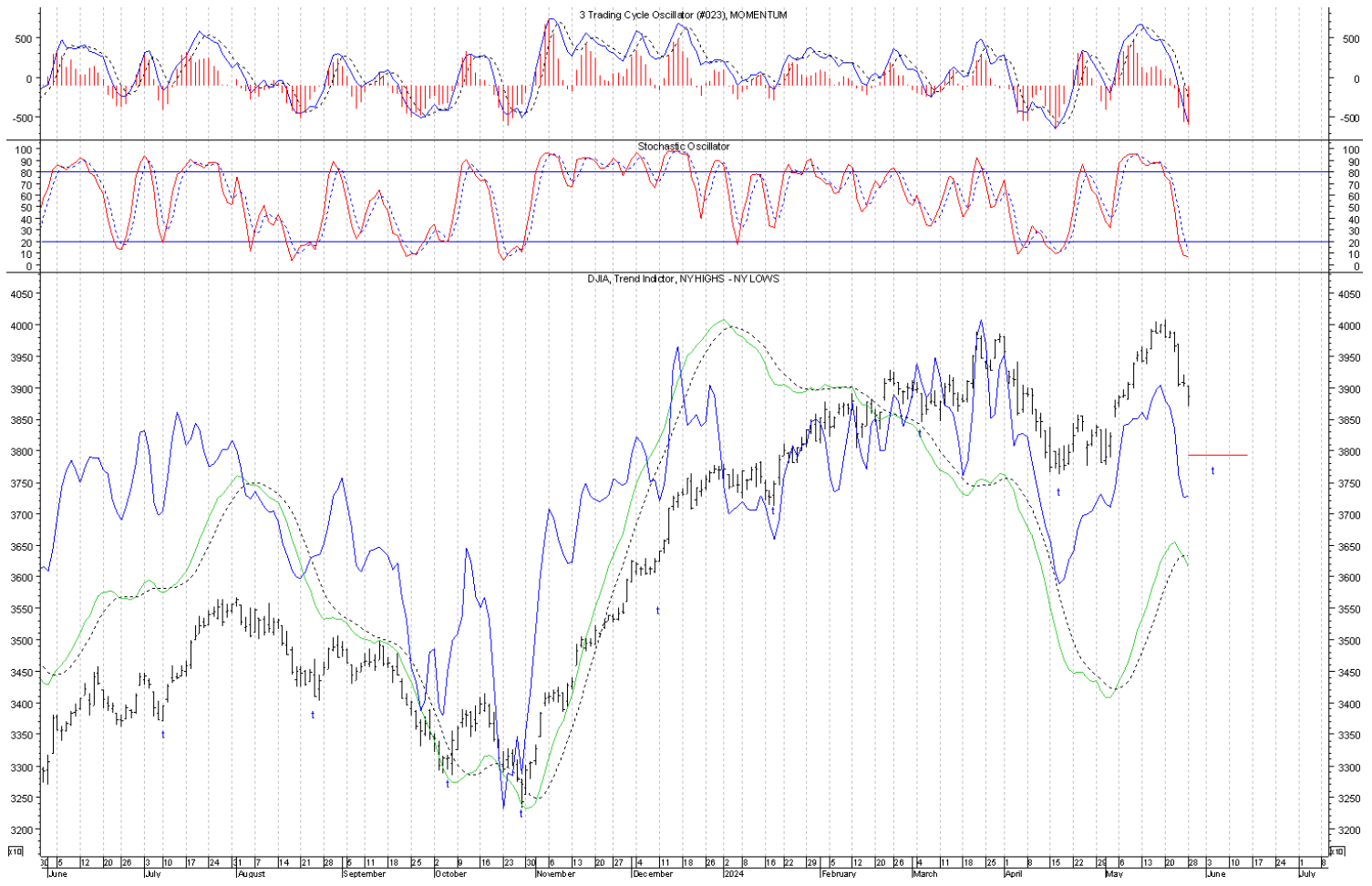
The Dollar completed the formation of a daily swing high on Monday and with Tuesday's downturn of the daily CTI a short-term sell signal was triggered. But, because of the reversal higher on Tuesday, as confirmation of this signal, I want to see a close below Tuesday's low. Confirmation of this signal will leave the Dollar at risk of a left-translated trading cycle top.

No change with Bonds. 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, continues its overall downturn in conjunction with the decline into the trading cycle low. The Green MA continues its upturn above the Black MA, which in doing so is reflective of the intermediate-term cycle low.

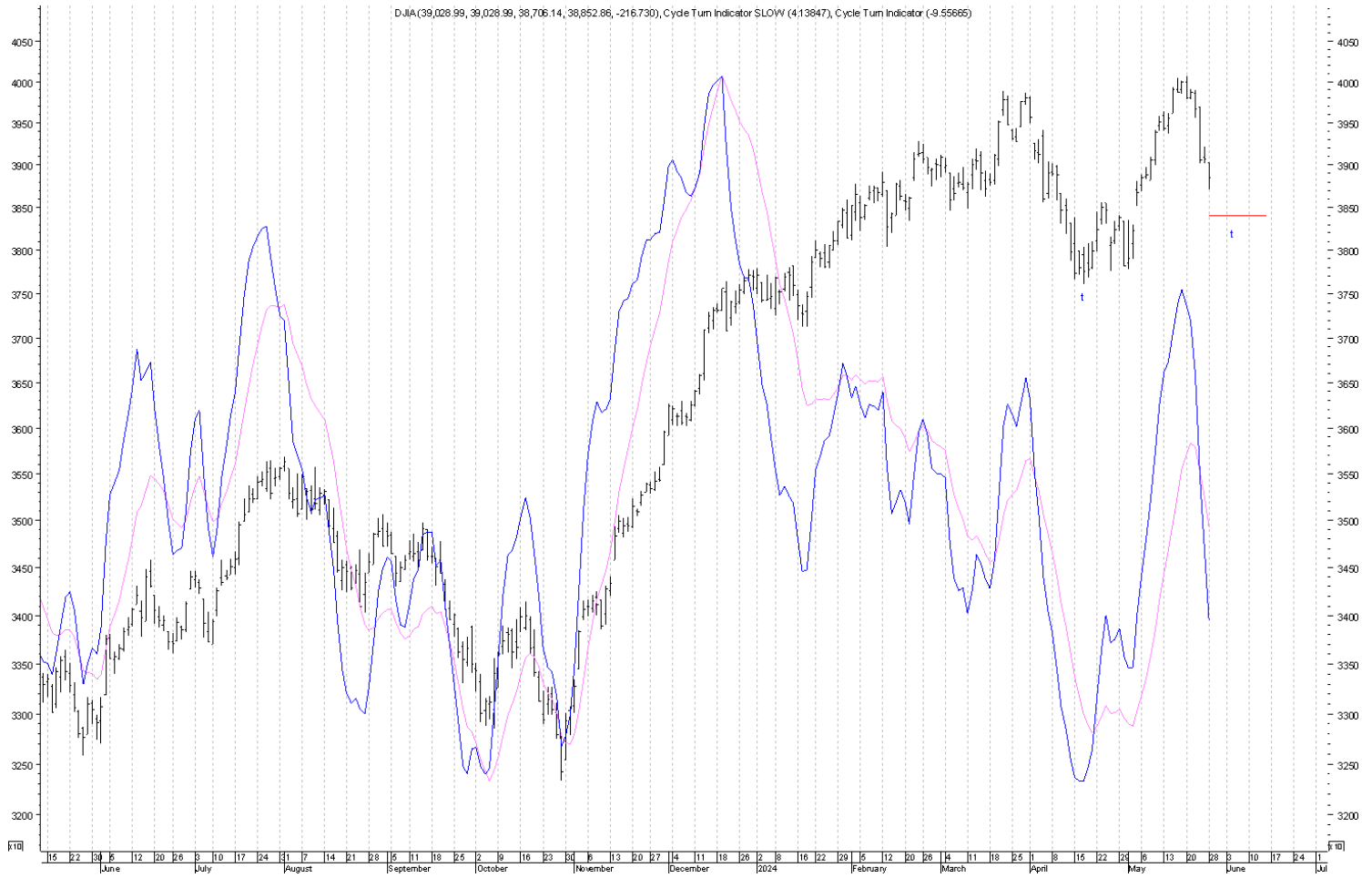


The **Trading Cycle Oscillator** in the upper window continues its downturn as does the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window also continues its downturn and has now moved into oversold territory. Collectively, these oscillators are now ripening for the pending trading cycle low, which should be in place once a short-term buy signal is triggered. The **New High/New Low Differential**, plotted with price, ticked marginally higher on Tuesday. The **Trend Indicator** continues its decline below the 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.

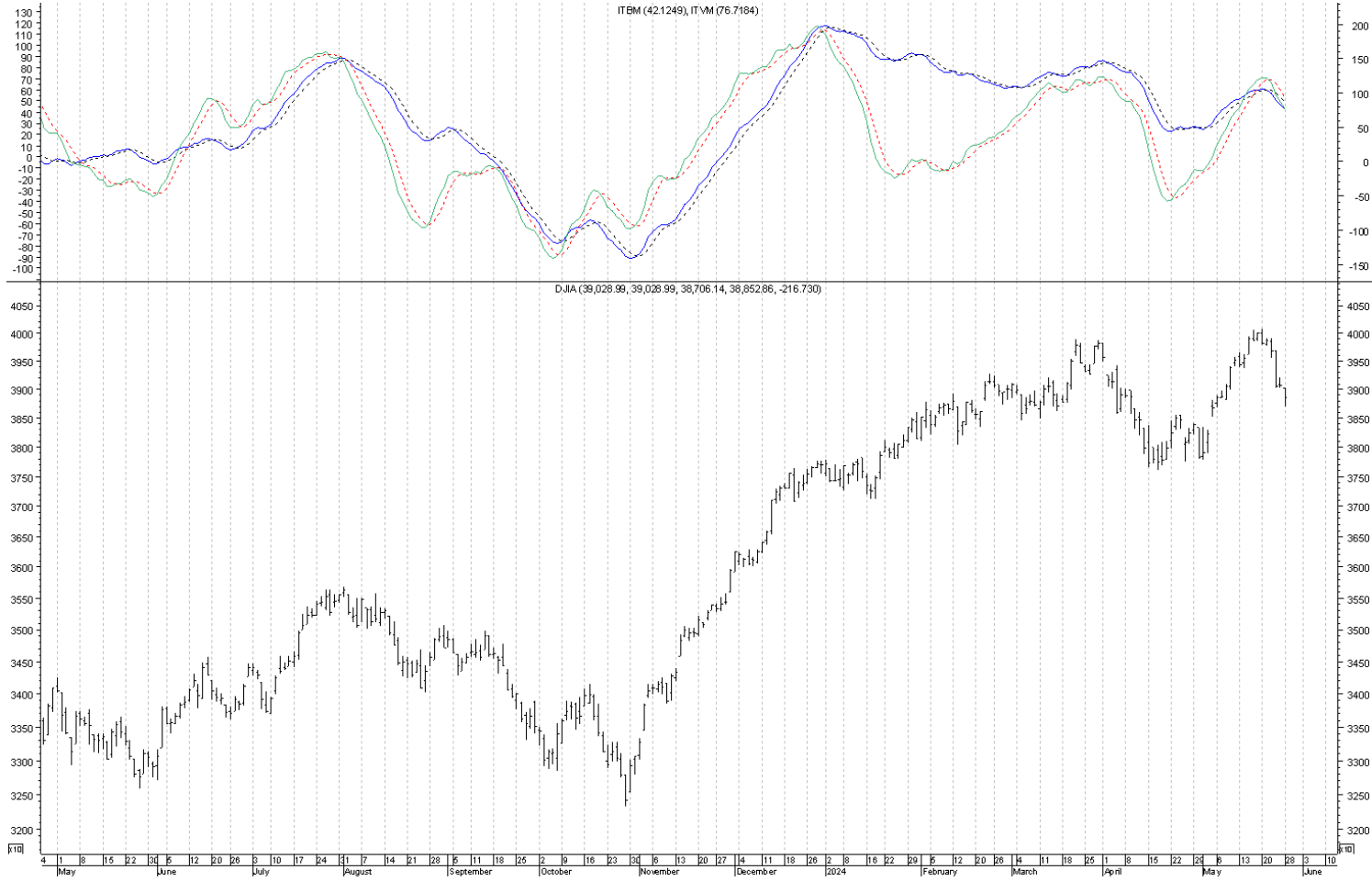


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

**Bottom line, while we have moved into the early side of timing band for the trading cycle low, this low should still ideally lie ahead with another few days of weakness as we move a little further into the timing band and the short-term sell signal in association with the decline will remain intact until another daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen.**

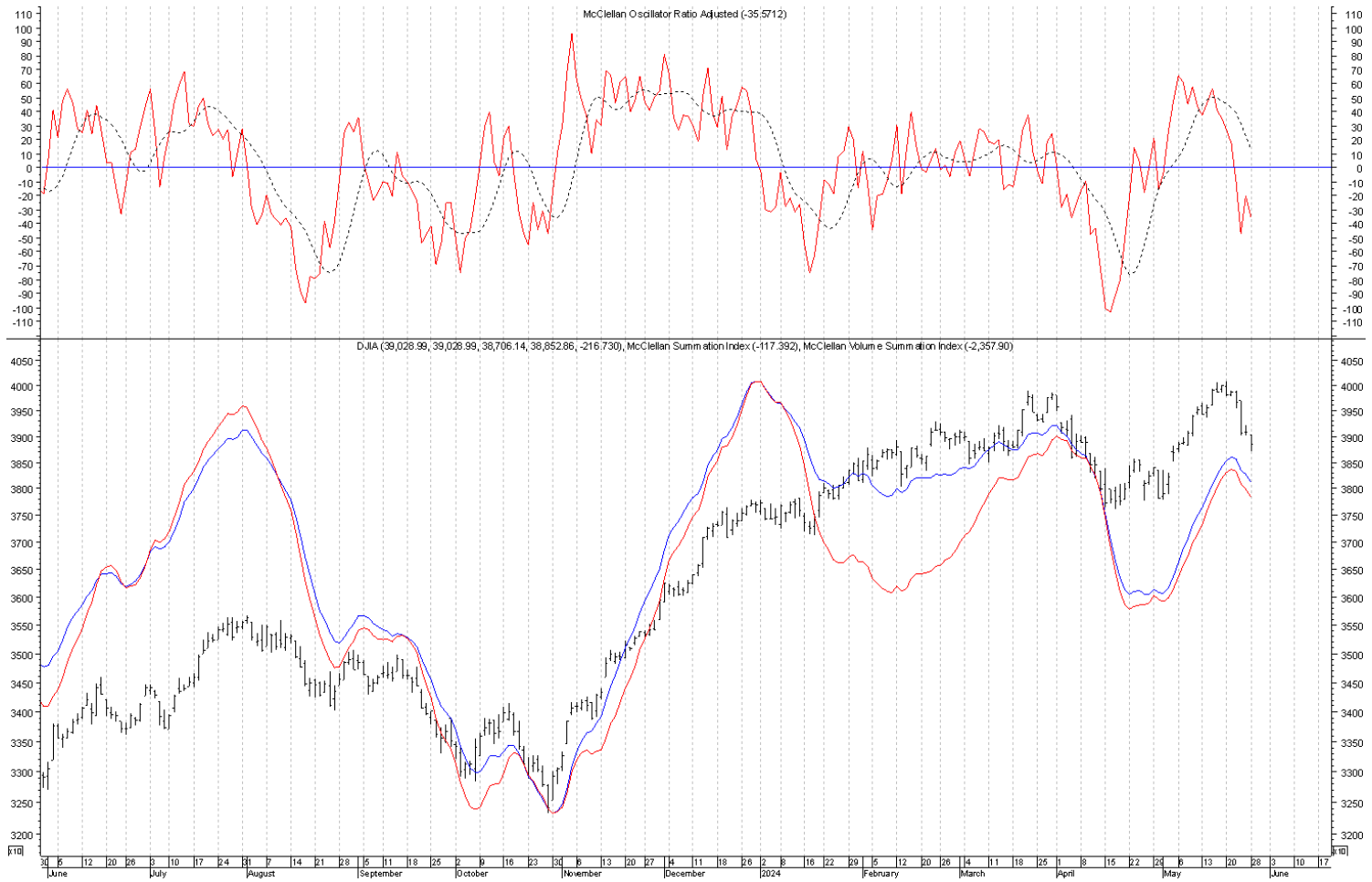


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** continue their downturns in association with the decline out of the trading cycle top.

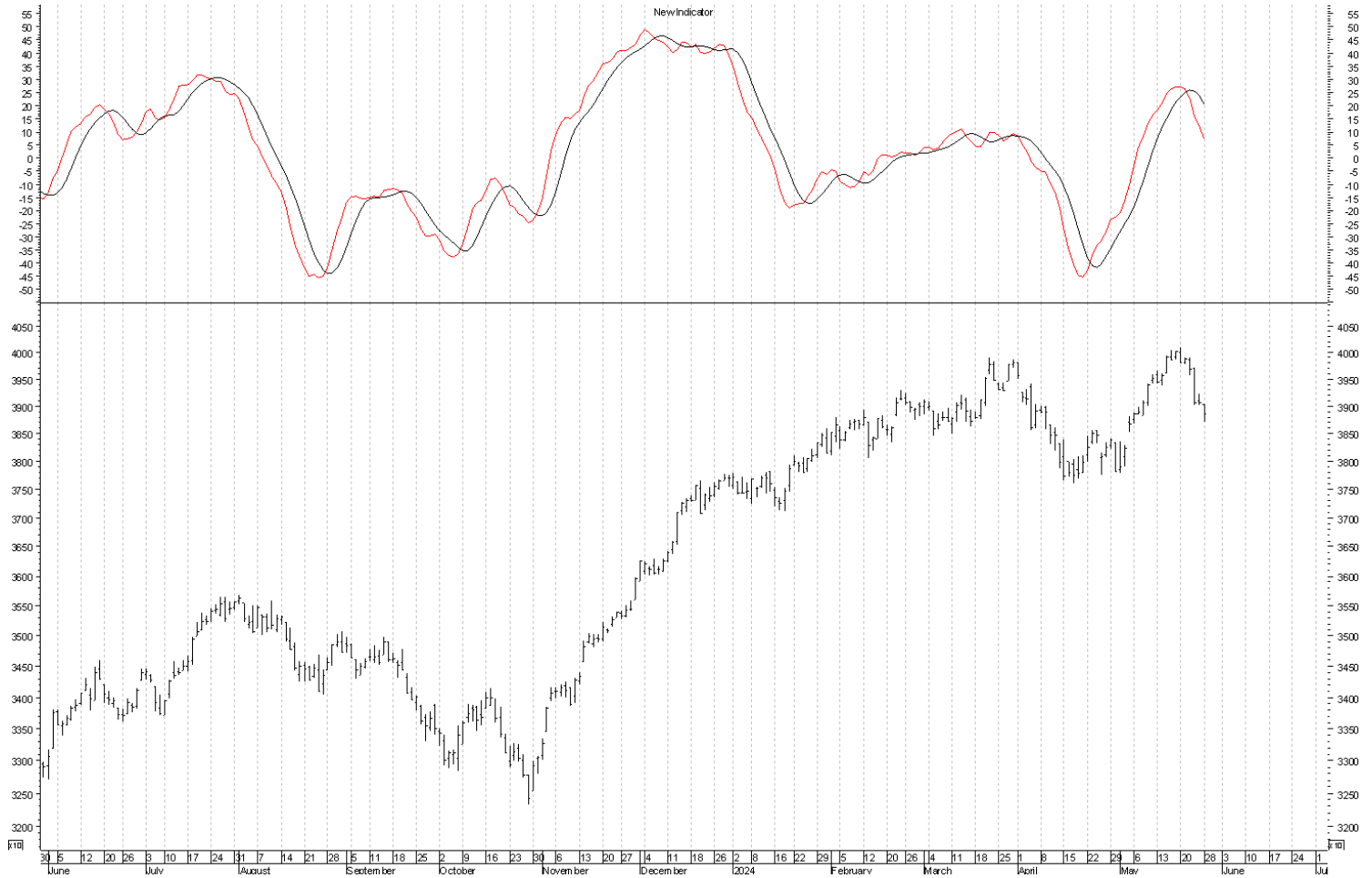




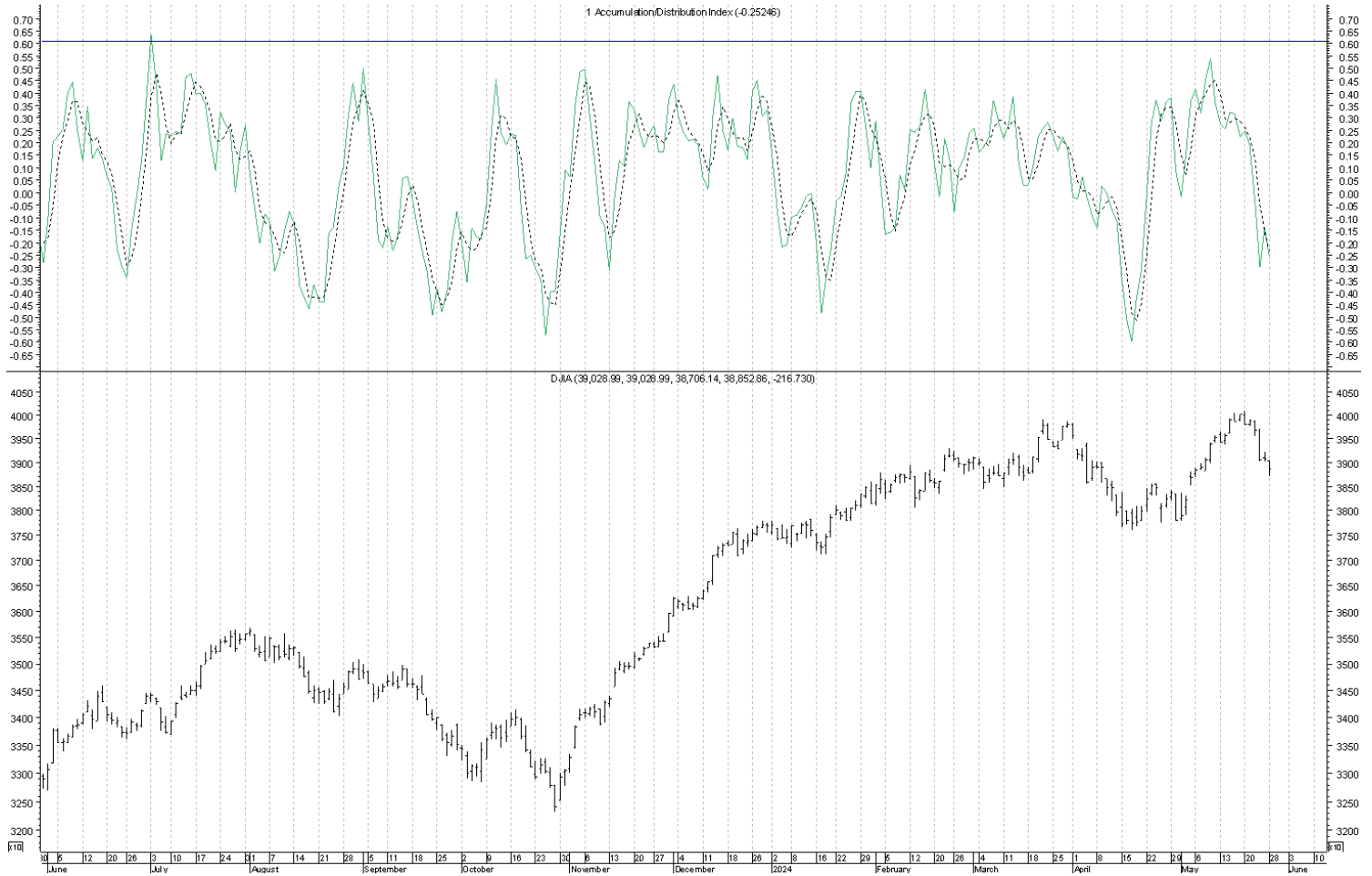
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their downturns in association with the decline into the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window has ticked back down. The triggering of a short-term buy signal 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.



The **Accumulation/Distribution Index** has ticked back down and with the previous low having held, we have the potential for the formation of a divergence in association with the trading cycle low. Another upturn in conjunction with the completion of a daily swing low will be suggestive of the trading cycle low.



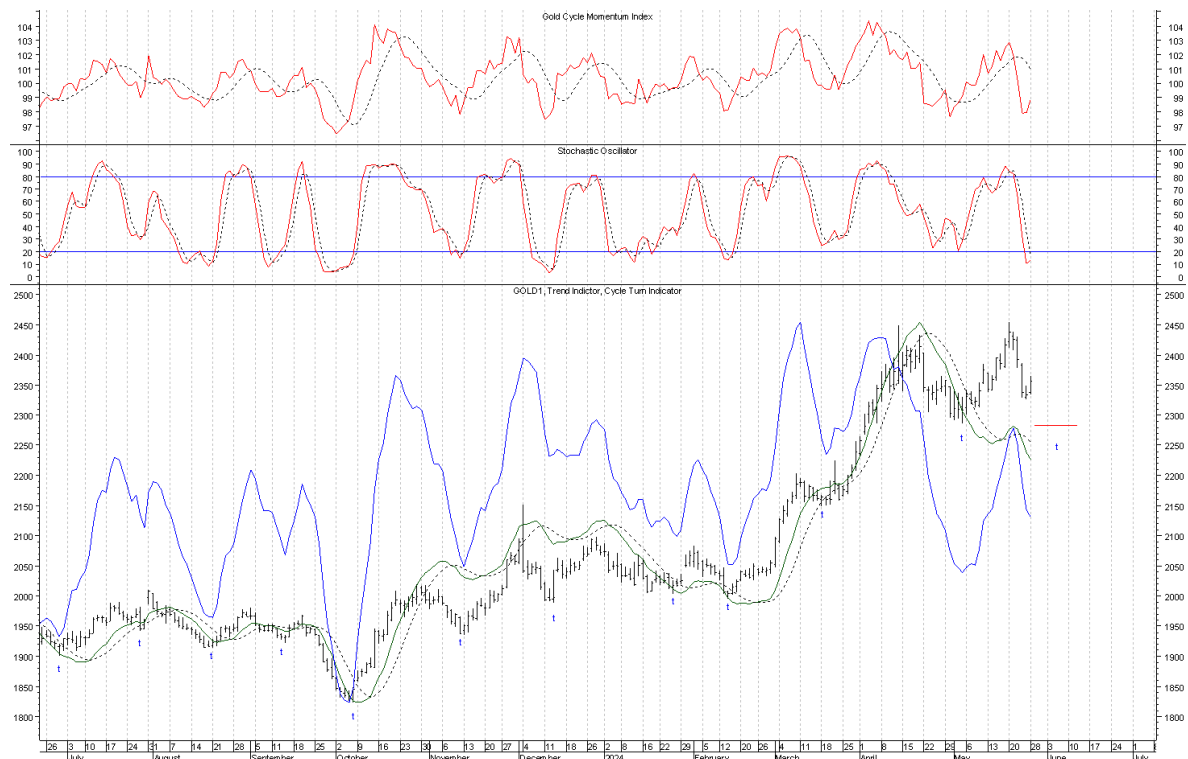
## Gold

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	Bullish

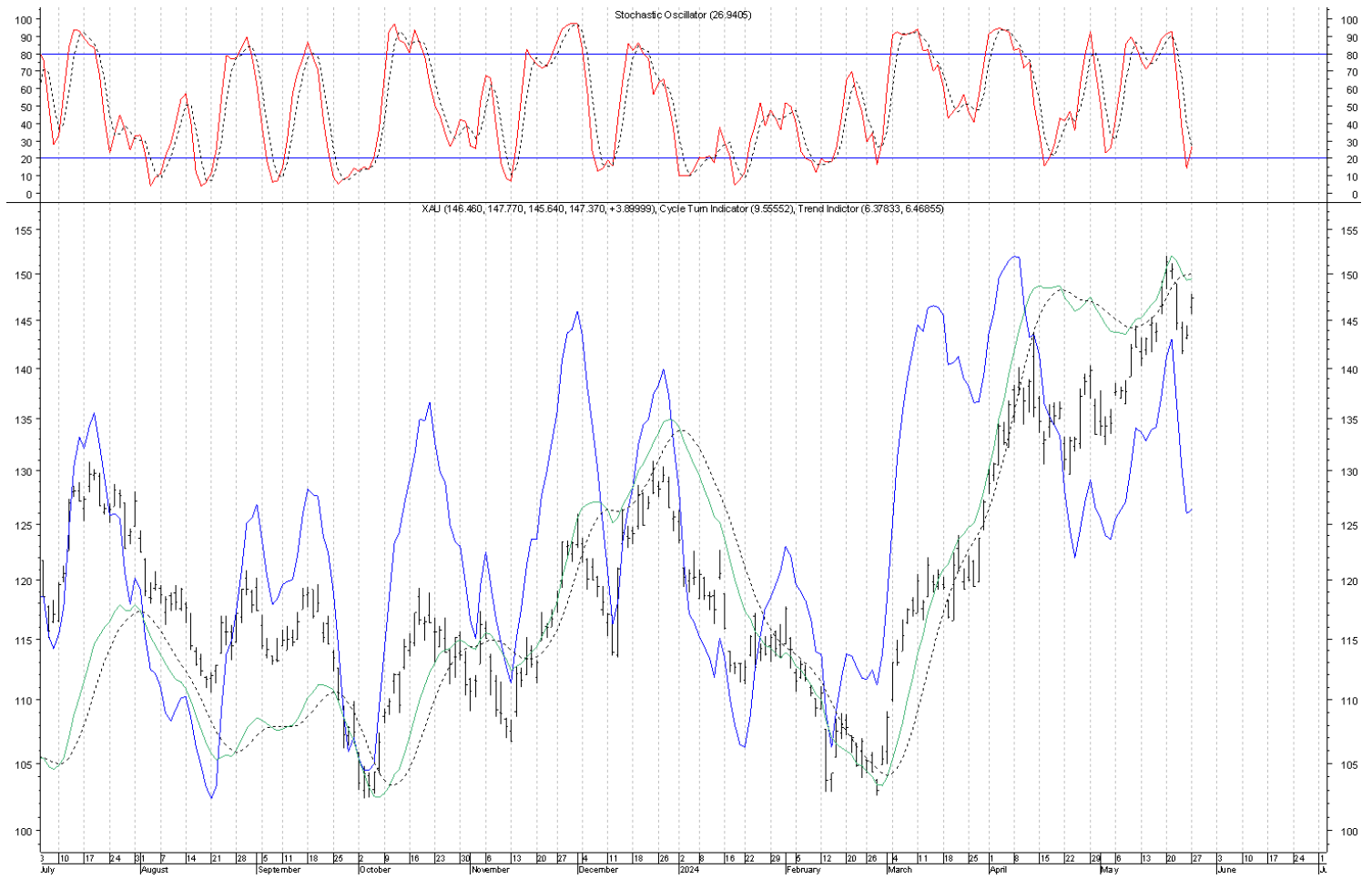
Daily Indicator Summary <b>Short-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bearish

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. The price action on Tuesday completed the formation of a daily swing low, but with the daily CTI remaining negative, a short-term buy signal was not triggered and with this low occurring prior to price having moved into the timing band, there should ideally prove to be one more push down into the trading cycle low. That said, any additional strength that turns the daily CTI up will trigger a short-term buy signal and we will at that time probably assume the trading cycle low to be in place. 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. 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. A daily swing high will be completed on Wednesday if 2,365.50 is not bettered and if 2,333.80 is violated. Again, with the timing band for the trading cycle low still ahead, this bounce should ideally be counter-trend and followed by continued weakness.



Our daily chart of the XAU is next and per the parameters given in the weekend update, the XAU completed the formation of a daily swing low on Tuesday. This short-term 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 in association with another retest of the higher degree intermediate-term cycle top. At a higher level, as with Gold, the intermediate-term cycle top is due and 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, we have another short-term buy signal that will remain intact until another daily swing high and downturn of the daily CTI are seen. A daily swing high will be completed on Wednesday if 147.77 is not bettered and if 145.64 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 Sell**

#### Primary Indicators

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

#### Confirming Indicators

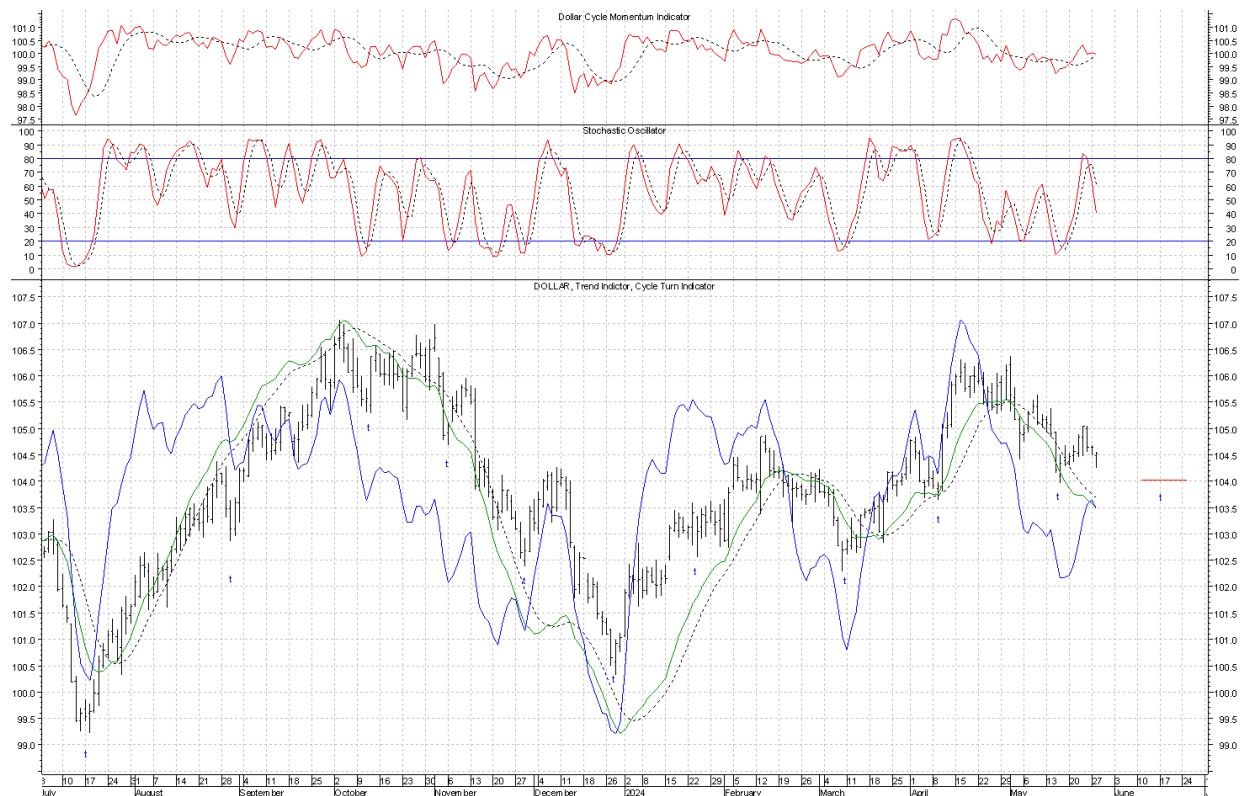
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish

#### Secondary Indicators

5 3 3 Stochastic	Bearish
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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 had carried price to overbought levels, per the 5 3 3 Stochastic, which as discussed in the weekend update once again made conditions ripe for a top. The price action on Monday completed the formation of a daily swing high and with Tuesday's downturn of the daily CTI a short-term sell signal was triggered. But, because of the reversal higher on Tuesday, as confirmation of this signal, I want to see a close below Tuesday's low. Confirmation of this signal will leave the Dollar at risk of a left-translated trading cycle 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 remains

structurally key with regard to the higher degree intermediate-term cycle low. Another daily swing low will be completed on Wednesday if 104.26 holds and if 104.56 is bettered.



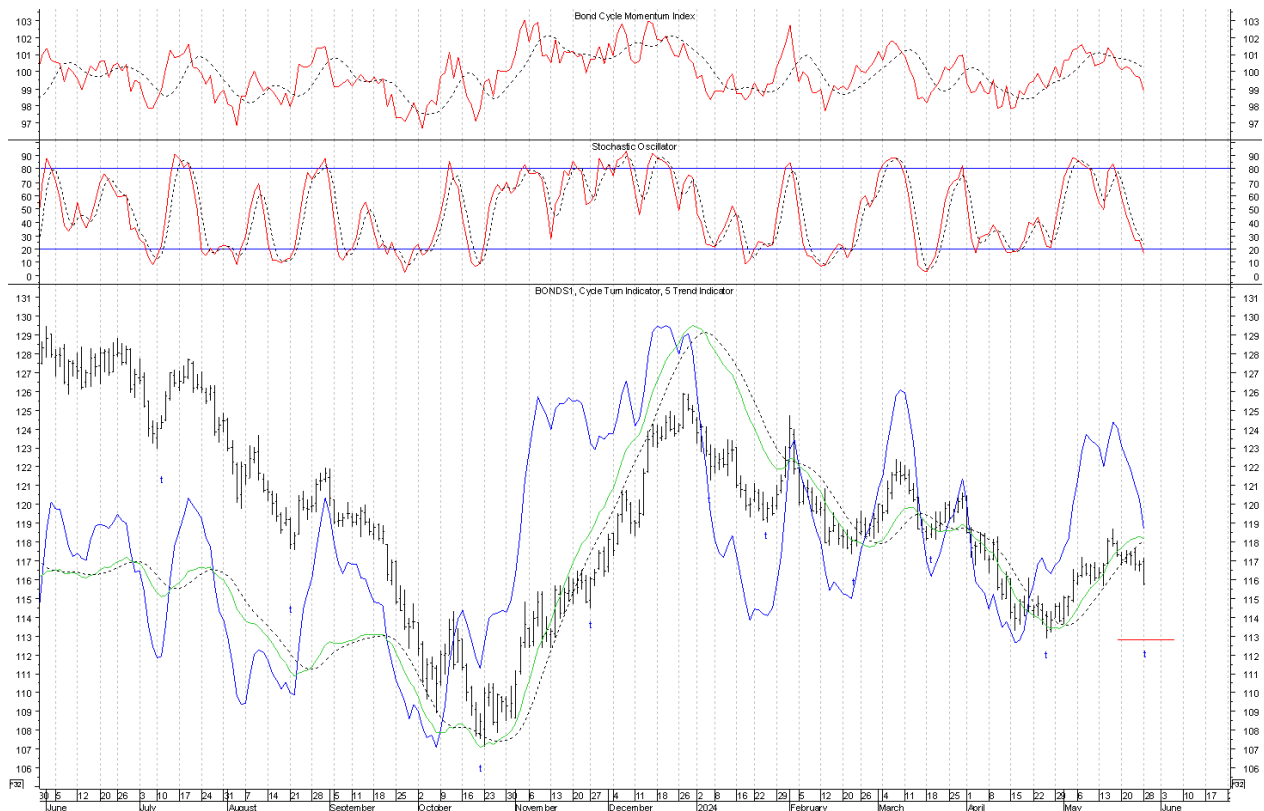
## Bonds

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

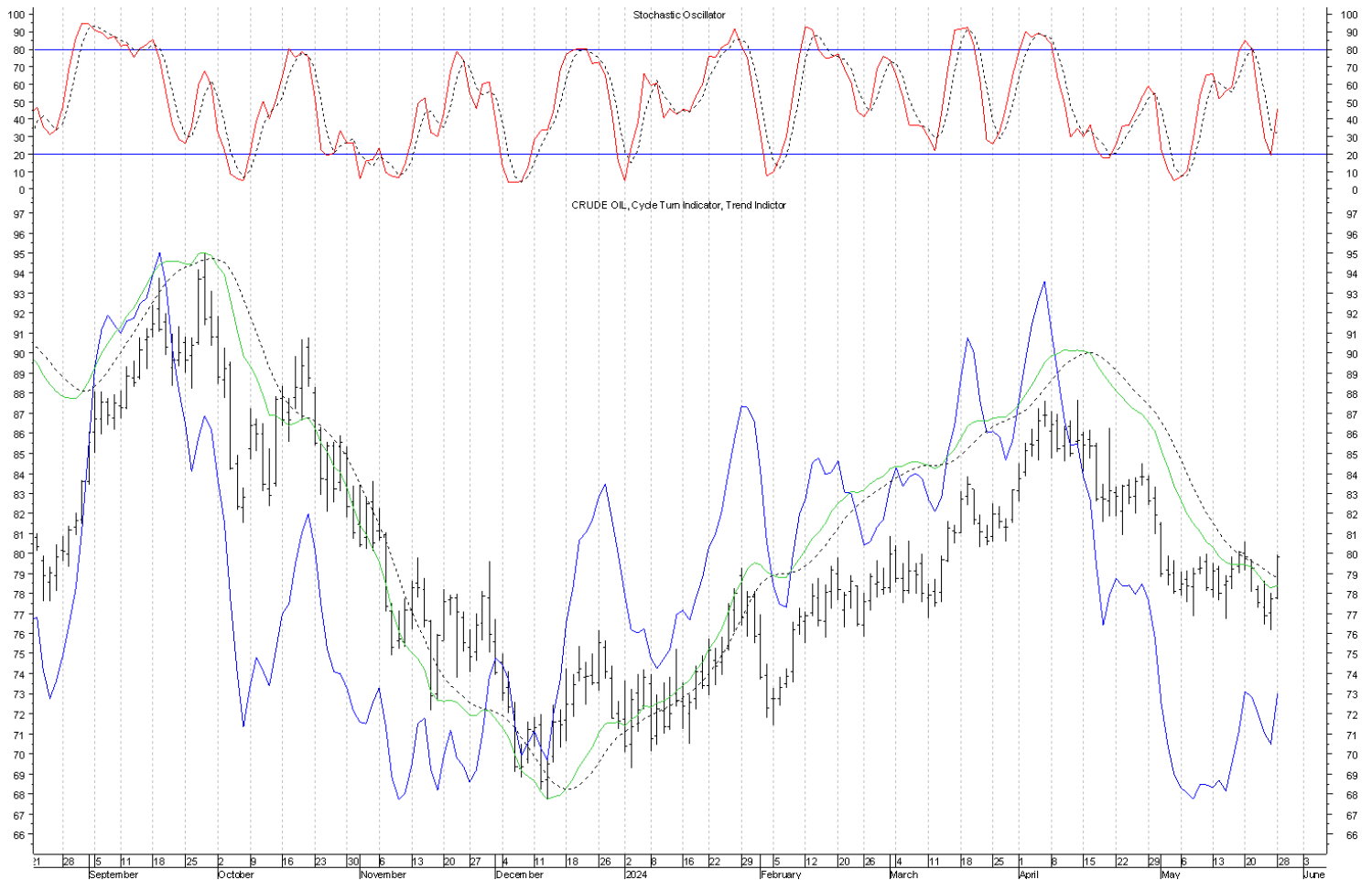
The short-term sell signal in association with the May 16th daily swing high remains intact and the timing band for the now due trading cycle low runs between May 17th and June 6th. With price now having moved into the middle portion of the timing band for this low and into oversold territory, per the 5 3 3 Stochastic, 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.

In order to keep the intermediate-term cycle advance structurally positive, the advance out of the pending trading cycle low must carry Bonds above the May 16th daily swing high with a right-translated structure.



## Crude Oil

On Friday Crude Oil bounced off its low and as discussed in the weekend update, we knew that any further advance that completed the formation of a daily swing low would leave Crude Oil positioned once again for another bounce. Per the parameters given in the weekend update, Crude Oil completed the formation of a daily swing low that was confirmed by an upturn of the daily **CTI**, thereby triggering a short-term buy signal. The expectation is for this advance to once again be counter-trend, but until another daily swing high and downturn of the daily **CTI** are seen, higher prices will remain possible. Another daily swing high will be completed on Wednesday if 79.93 is not bettered and if 77.69 is violated.



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