

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 30, 2024

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

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 30, 2024

Stocks

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

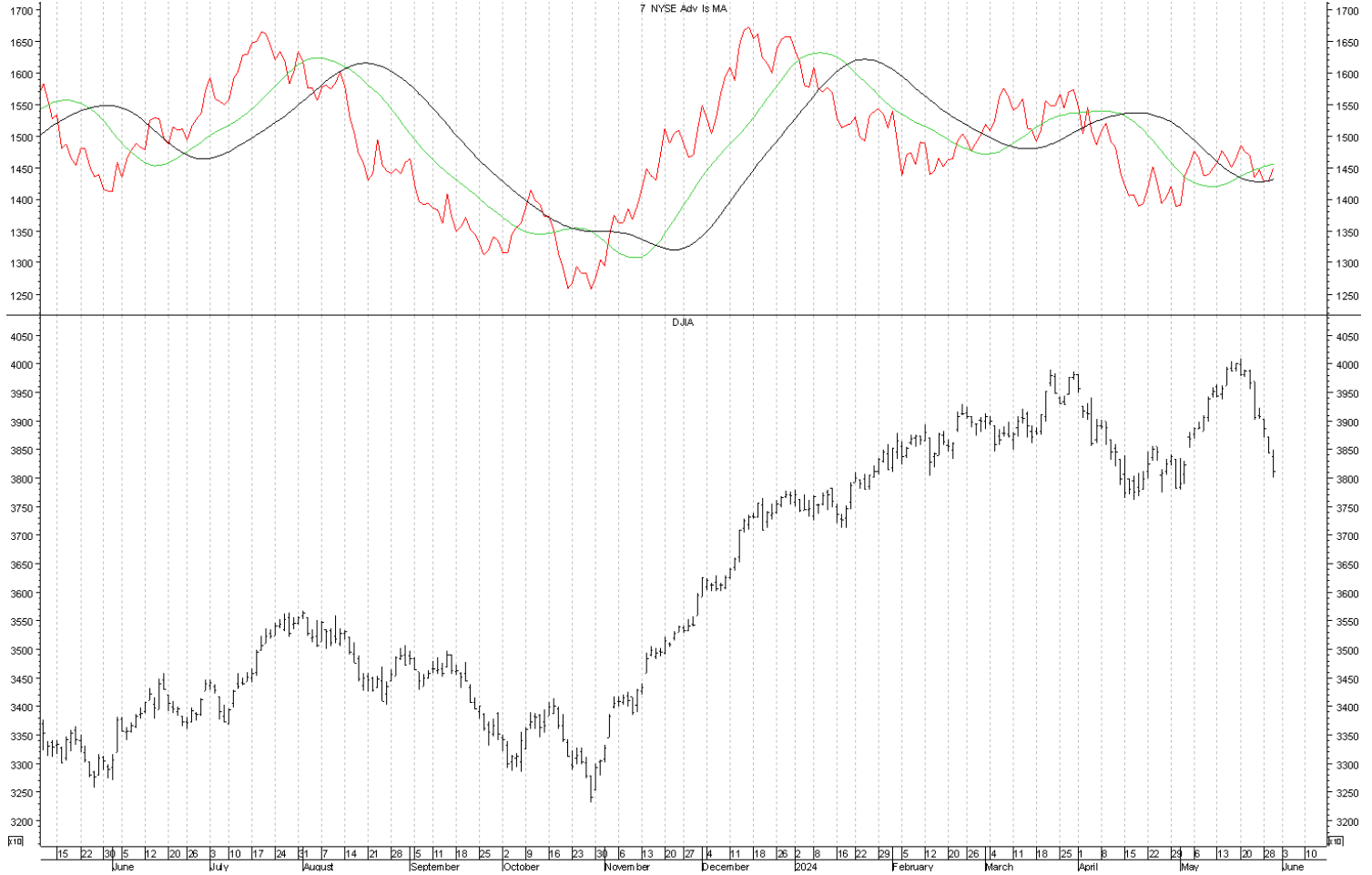
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Slow Cycle Turn Indicator (CTI)	Bearish
New High/New Low Differential	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
McClellan Intermediate Term Breadth Momentum Oscillator (ITBM)	Bearish
McClellan Intermediate Term Volume Momentum Oscillator (ITVM)	Bearish
McClellan Summation Index	Bearish
McClellan Volume Summation Index	Bearish
Secondary Short Term Indicators	
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 the decline into the trading cycle low remains intact. As discussed last week and in the Tuesday night update, 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. Now as a result of this week's continued weakness, this expectation has been realized and once a daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen, this low should be in place. At a higher level, this week's continued decline into the trading cycle low has completed the formation of a weekly swing high and with the downturn of the weekly CTI, an intermediate-term sell signal is in the making. As a result, this leaves the Industrials at risk of the higher degree intermediate-term cycle top, which at this juncture would be left-translated, which in turn would be suggestive of the higher degree cycle top/s as well. The expectation has been 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

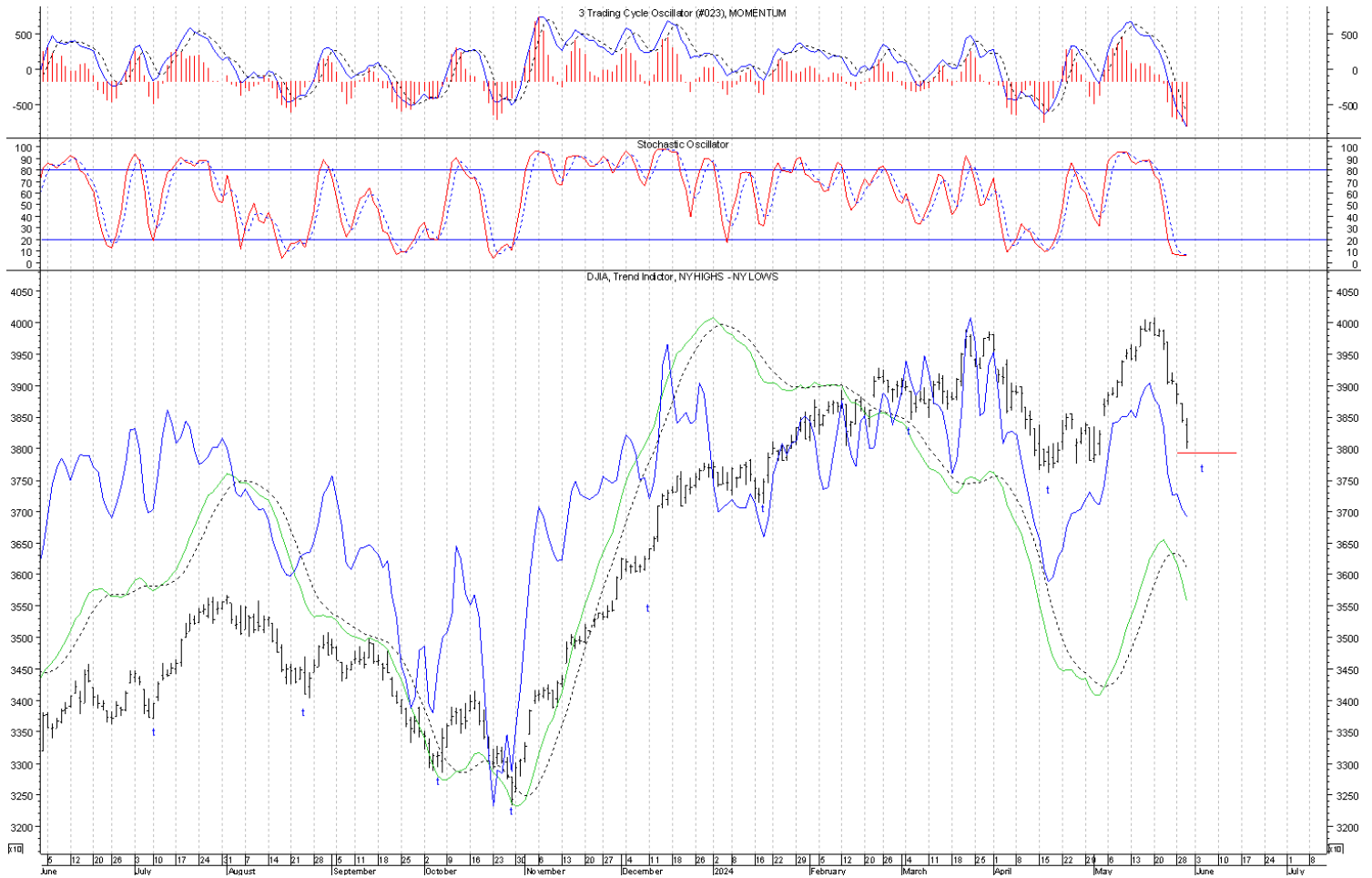
takes form. If so, the advance out of the pending trading cycle low must correct the current formation of the weekly swing high and it must do so with a right-translated trading cycle advance. If not, then such failure will serve as further evidence of a left-translated intermediate-term cycle top in 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. More on that as this develops. On Wednesday, the Transports violated their May 1st trading and intermediate-term cycle low, yielding not only a left-translated trading cycle, but also a left-translated intermediate-term cycle. In light of this development, the higher degree seasonal and 4-year cycle top on the Transports should be in place. As the decline into the trading cycle low has continued, the risk to the Industrials is now a violation of the April 17th trading cycle low in that such violation will also be suggestive of the intermediate-term and higher degree cycle top/s. As we await the now due trading cycle low, the ongoing 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, assuming the April 17th trading cycle low holds, it will be the advance out of the pending trading cycle low that will be absolutely key with regard to the intermediate-term cycle top. Otherwise, something else is going on. For now, the pending trading cycle low is key.

The expectation was for Tuesday's completion of a daily swing low on Crude Oil to be counter-trend and on Thursday another short-term sell signal was triggered leaving Crude Oil once again positioned for further weakness in association with the higher degree cycle tops. Gasoline also completed the formation of a daily swing low on Tuesday triggering a short-term buy signal. Here too, the expectation was for that buy signal to be in association with a counter-trend advance and with Thursday's violation of the May 24th daily swing low, this proved correct. Thursday's short-term sell signal will remain intact until another daily swing low and upturn of the daily CTI are seen. The May 24th short-term sell signal on Natural Gas 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 continues to be an opportunity to cap that advance. The CRB Index retriggered another short-term sell signal on Wednesday and in doing so, the expectation is that the recent advance was in association with another push up into the trading and intermediate-term cycle tops. Gold completed the formation of a daily swing low on Tuesday and the additional advance on Thursday turned the daily CTI up triggering a short-term buy signal. But, ideally with the May 24th daily swing low having occurred prior to price moving into the timing band, there should ideally prove to be one more push down into the trading cycle low. The XAU completed the formation of a daily swing high on Wednesday, retriggering a short-term sell signal. The Dollar retriggered another short-term buy signal on Wednesday, but the expectation is that it is in association with an ending push up into the trading cycle top. The completion of another daily swing high on Friday will still 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 latter portion of the timing band for the trading cycle low, along with the upturn of the 5 3 3 Stochastic, conditions have increasingly ripened for this low, which 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, has ticked up, which tends to now be hinting of 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.

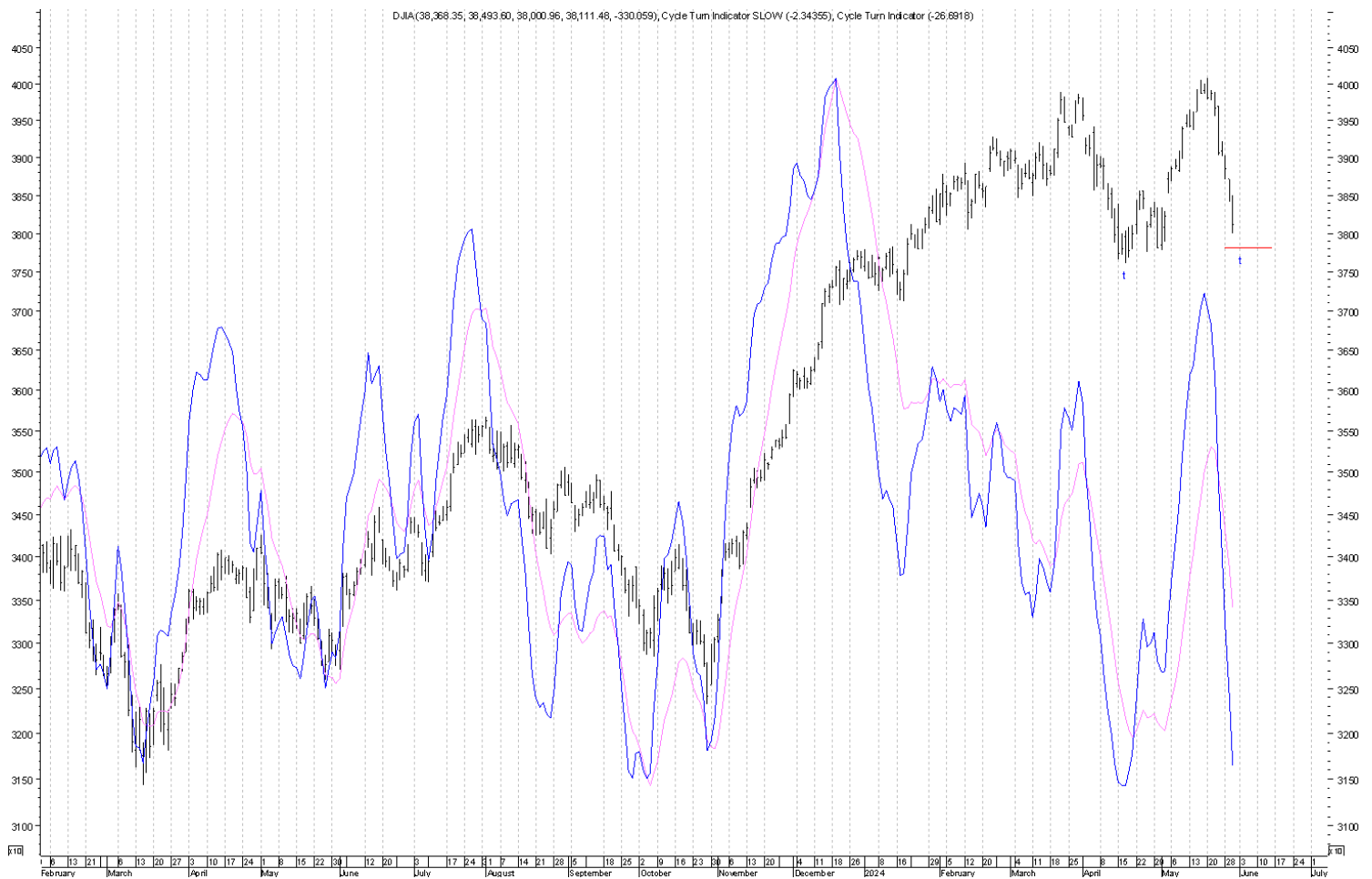


The **Trading Cycle Oscillator** in the upper window continues its downturn as does the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window also continues trying to turn up from oversold levels as we close in on the trading cycle low. The **New High/New Low Differential**, plotted with price, remains negative. 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.

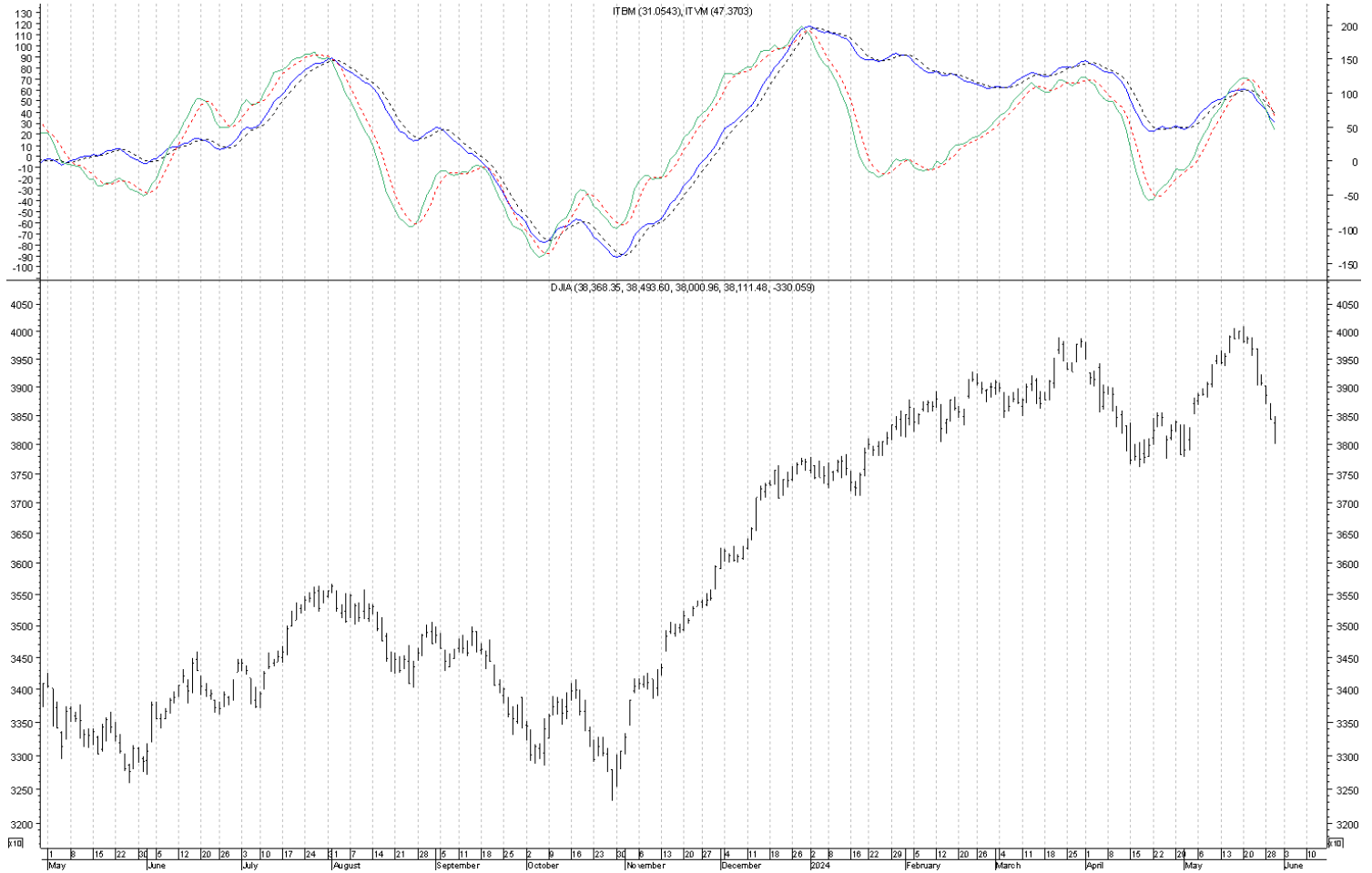


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

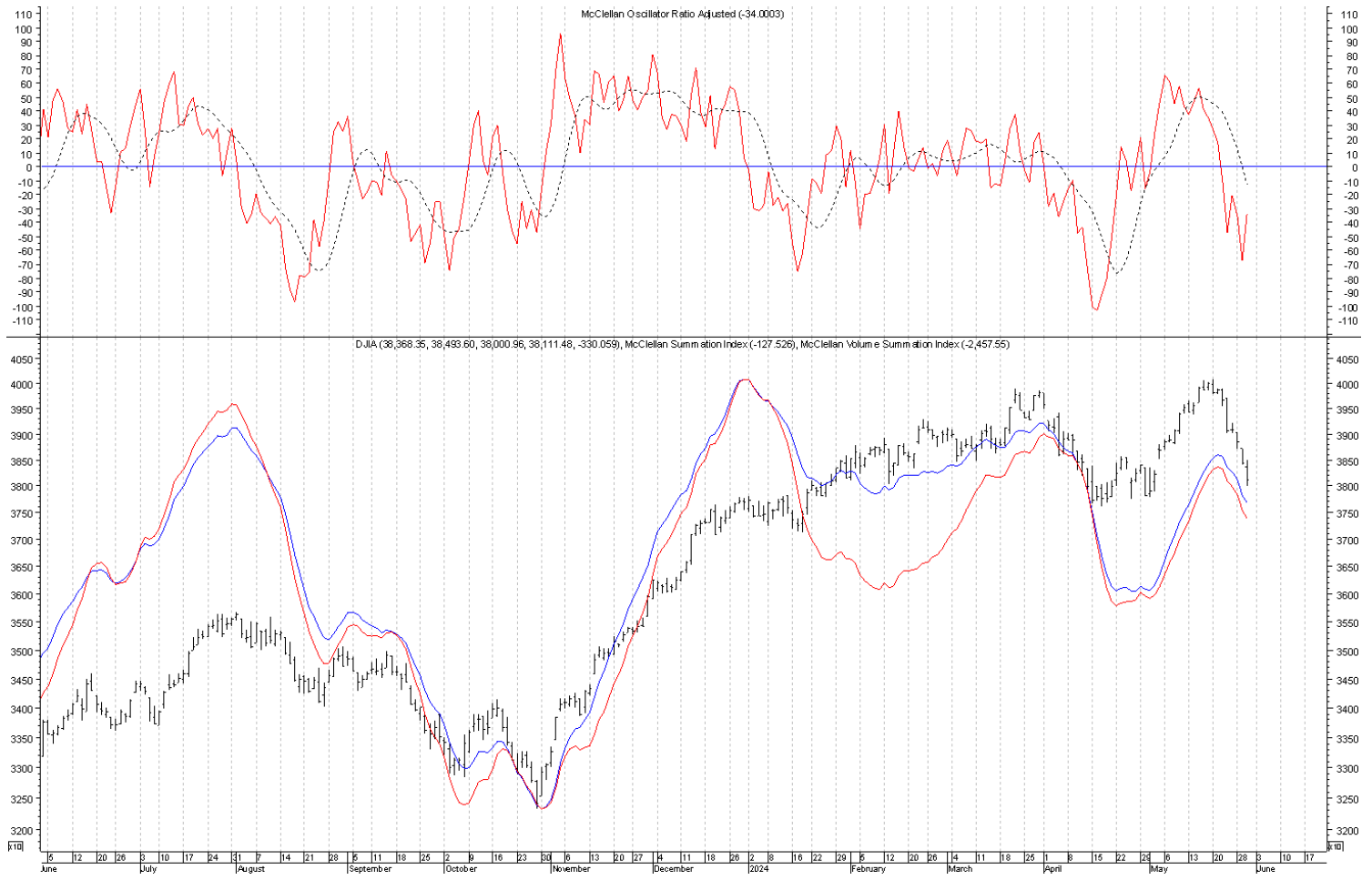
As was stated here on Tuesday night, while we had moved into the early side of timing band for the trading cycle low, I ideally wanted to see another few days of weakness as we move a little further into the timing band. Now with such additional weakness having been seen, the trading cycle low should be close at hand. Once a daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen, a short-term buy signal will be triggered and this low should be in place.



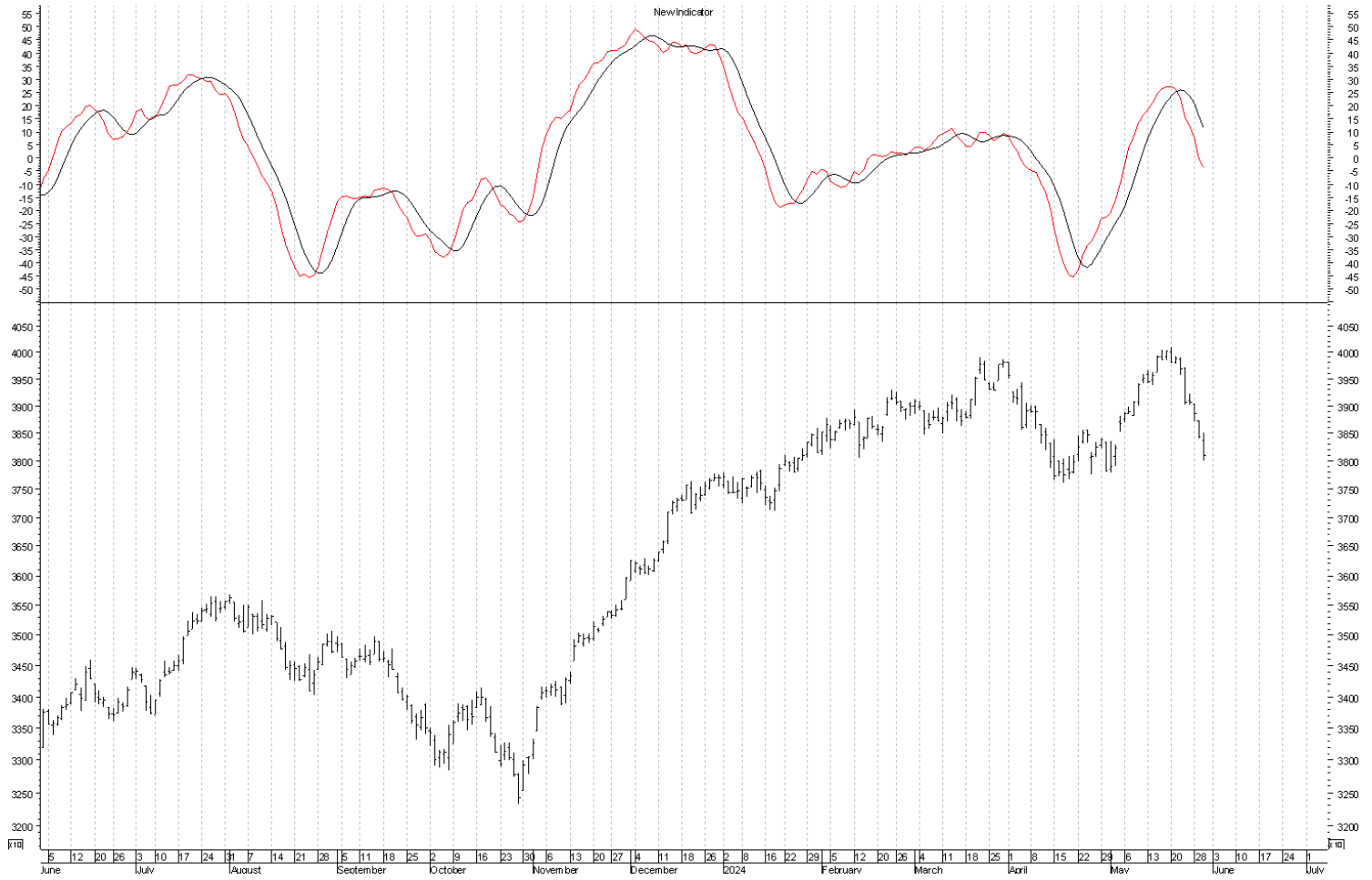
Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** continue their downturns in association with the decline out of the trading cycle top.



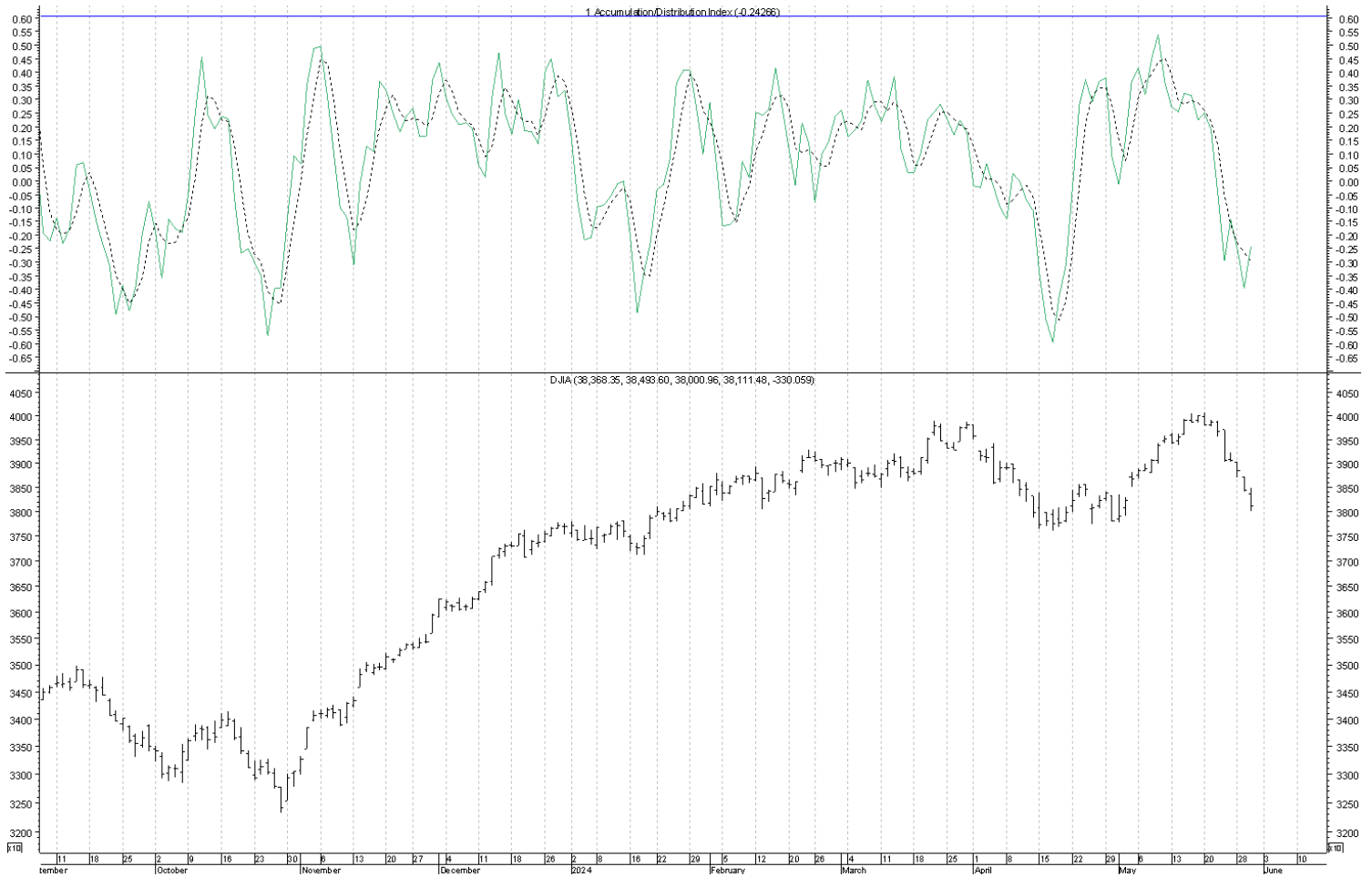
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their downturns in association with the decline into the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window has ticked back up, but has not yet crossed back above its trigger line, which makes it still 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.



The **Accumulation/Distribution Index** has ticked back up, which is now telegraphing the pending trading cycle low, which should be in place once a short-term buy signal is triggered. Again, the risk to the Industrials is a violation of the April 17th trading cycle low in that such violation will be suggestive of the intermediate-term and higher degree cycle top/s.

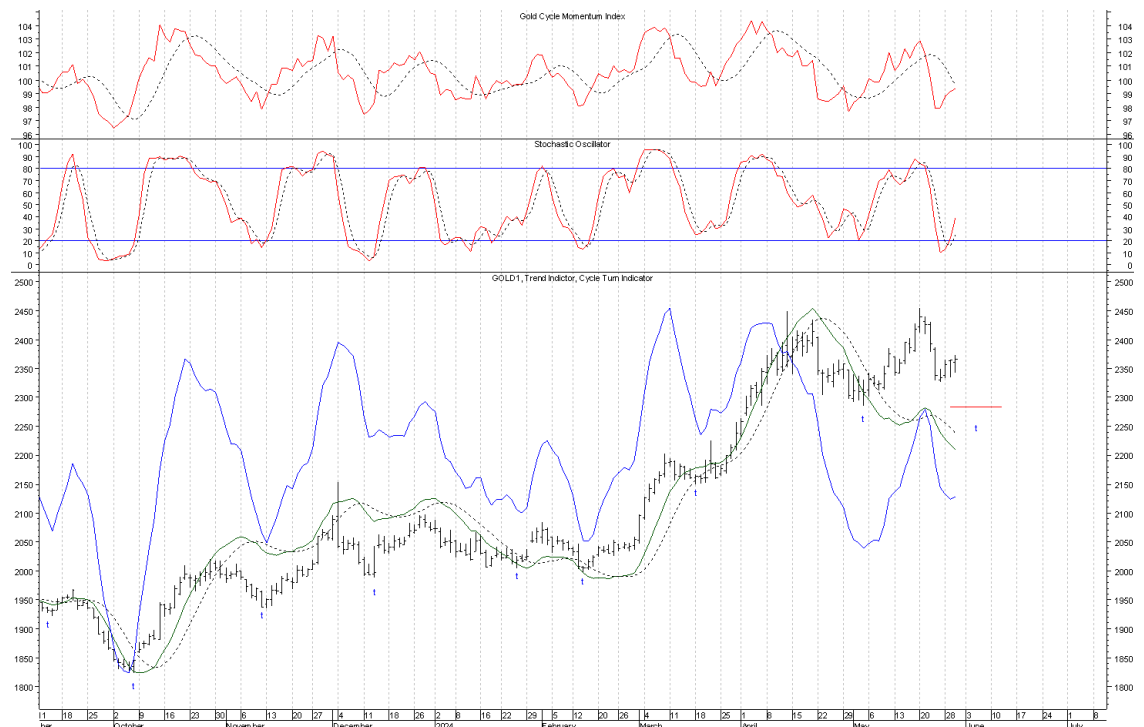


Gold

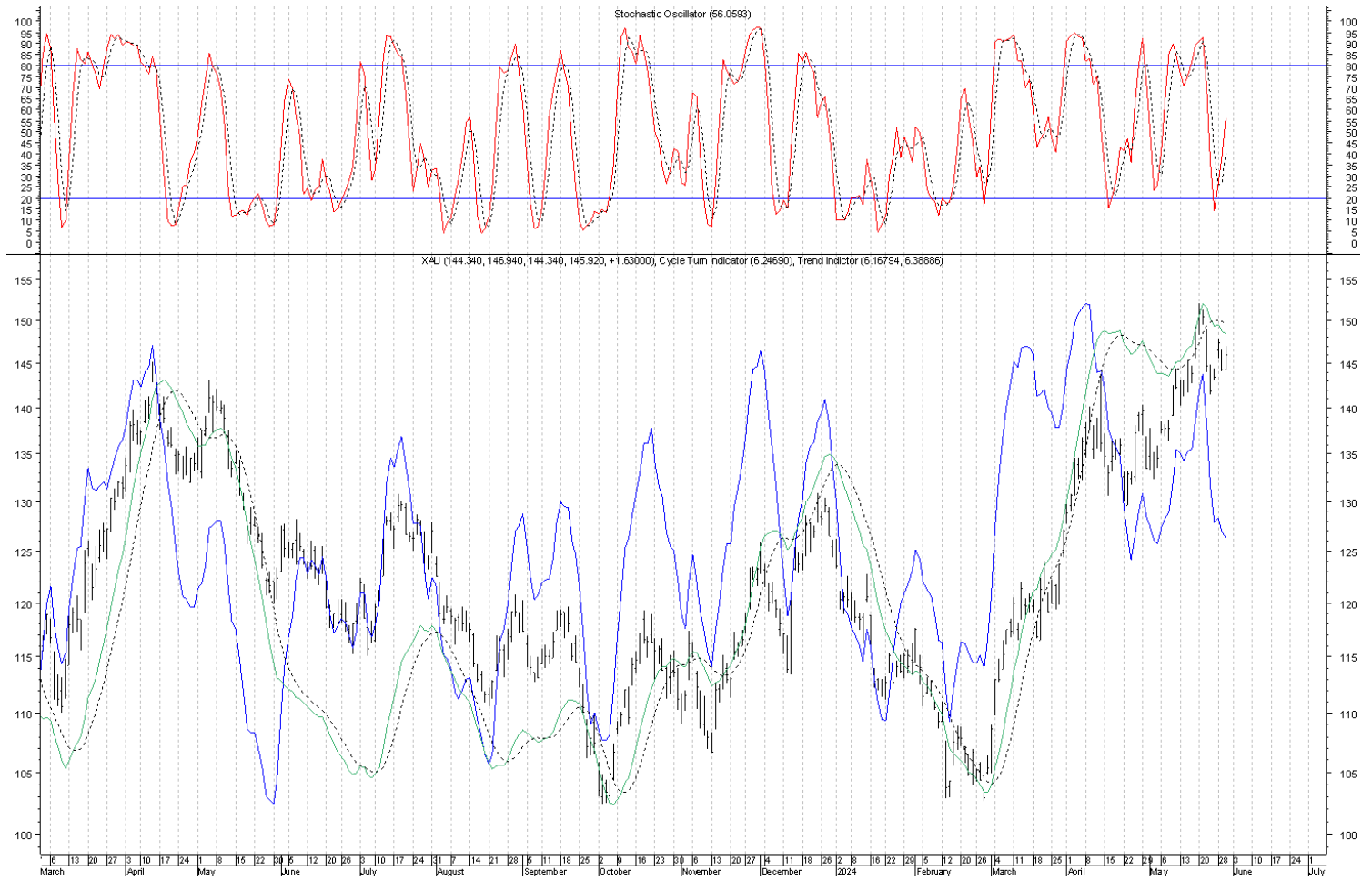
End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell	
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bullish

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	Bearish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bullish

The trading cycle low was seen on May 3rd and the timing band for the current 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. With the additional advance on Thursday, the daily **CTI** ticked back up, which with a daily swing low in place technically triggered a short-term buy signal. But, ideally with the May 24th daily swing low having occurred prior to price moving into the timing band, there should ideally prove to be one more push down into the trading cycle low. That said, any additional strength from here we will probably have to 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 Friday if 2,373.70 is not bettered and if 2,343.30 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 Tuesday night update, the price action on Wednesday completed the formation of a daily swing high, turning the daily CTI back down, triggering another short-term sell signal. On Thursday another daily swing low was completed, but with the daily CTI remaining negative, a short-term buy signal was not triggered. Any further strength that turns the daily CTI up will retrigger another short-term buy signal, but the expectation is for any such advance to be in association with a retest of the intermediate-term cycle top. As with Gold, 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. Another daily swing high will be completed on Friday if 146.94 is not bettered and if 144.34 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

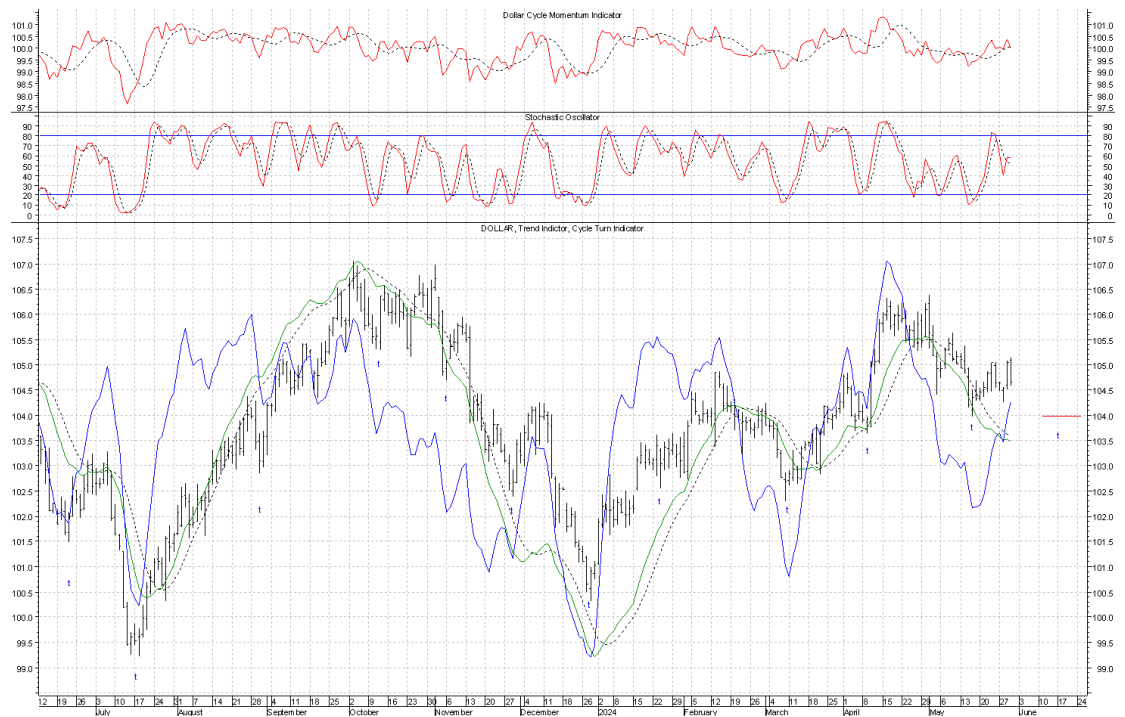
Confirming Indicators

Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish

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. 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 wanted to see a close below Tuesday's low. With the completion of a daily swing low on Wednesday, that did not happen and with the 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 because of the reversal lower on Thursday, it is very possible that the retest of the trading cycle top has run its course. Any further weakness on Friday that completes the formation of a daily swing high will be suggestive of this having been the case. A daily swing high will be completed on Friday if 105.13 is not bettered and if 104.57 is violated. 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.



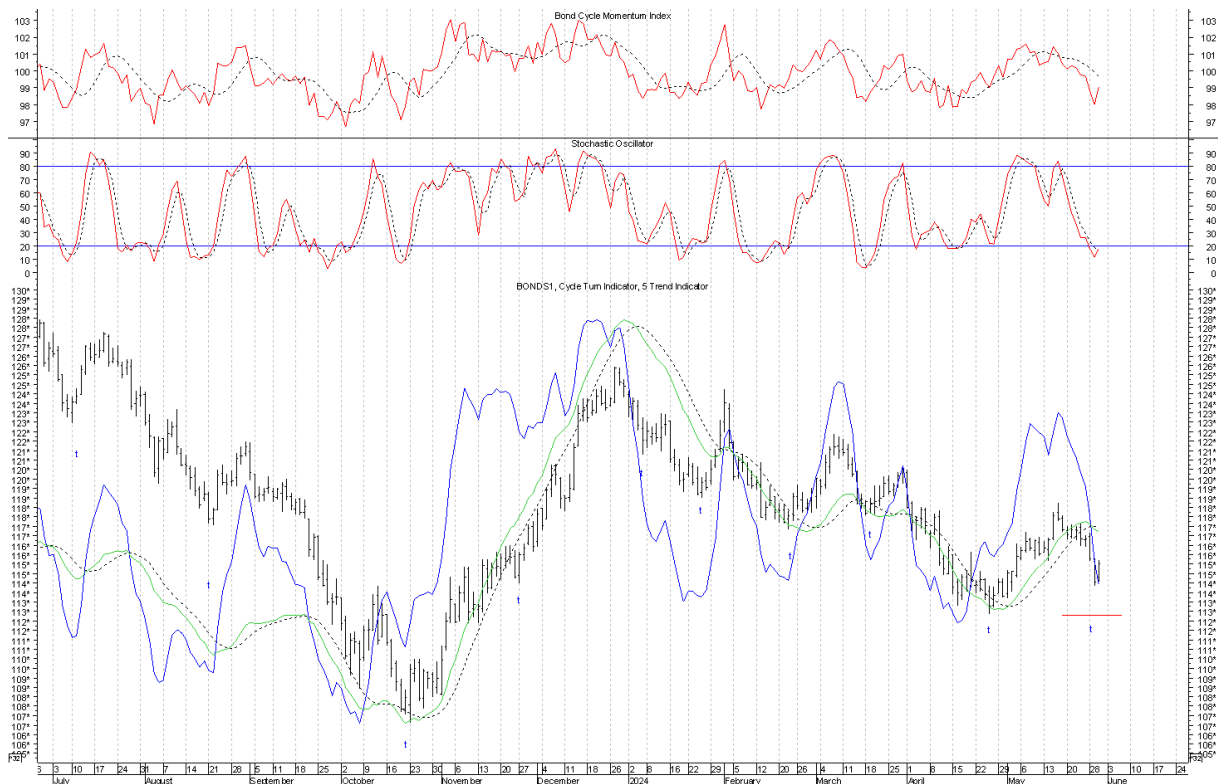
Bonds

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

Daily Indicator Summary Short-Term 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 Short Term Indicators	
5 3 3 Stochastic	Bullish

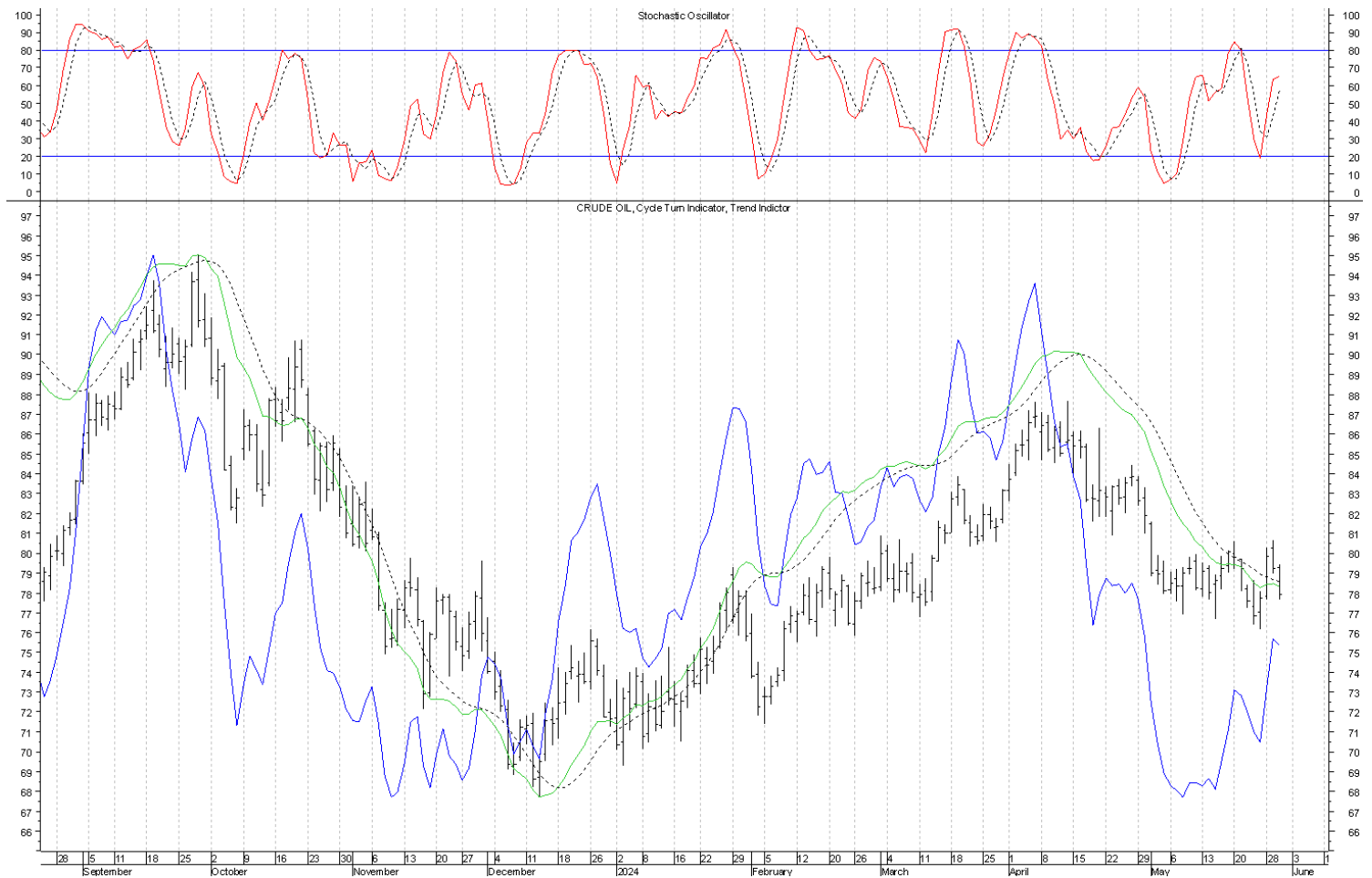
The short-term sell signal in association with the May 16th daily swing high remains intact and the timing band for the now due trading cycle low runs between May 17th and June 6th. With price now moving into the latter portion of the timing band for this low, the 5 3 3 Stochastic turning up from oversold levels, along with the reversal off the low on Thursday, the trading cycle low should be close at hand. Any further advance on Friday that completes the formation of a daily swing low in conjunction with an upturn of the daily **CTI** will trigger a short-term buy signal and 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

Per the parameters given in the weekend update, on Tuesday 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 was for this advance to once again be counter-trend and with the completion of a daily swing high and downturn of the daily **CTI** following Wednesday's reversal lower, a short-term sell signal was triggered on Thursday. In doing so, this is sell signal is an opportunity to cap the counter-trend advance, which we will assume to be the case until proven otherwise. This 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 77.63 holds and if 79.42 is bettered.



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