

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 June 2, 2024

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

June 2, 2024

**Stocks**

<b>End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Weekly Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
CTI on Rydex Tempest Fund *	Bullish
<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	Bearish
Cycle Momentum Indicator	Bearish
<i>*When this indicator is Bullish it is negative for the market and visa versa.</i>	

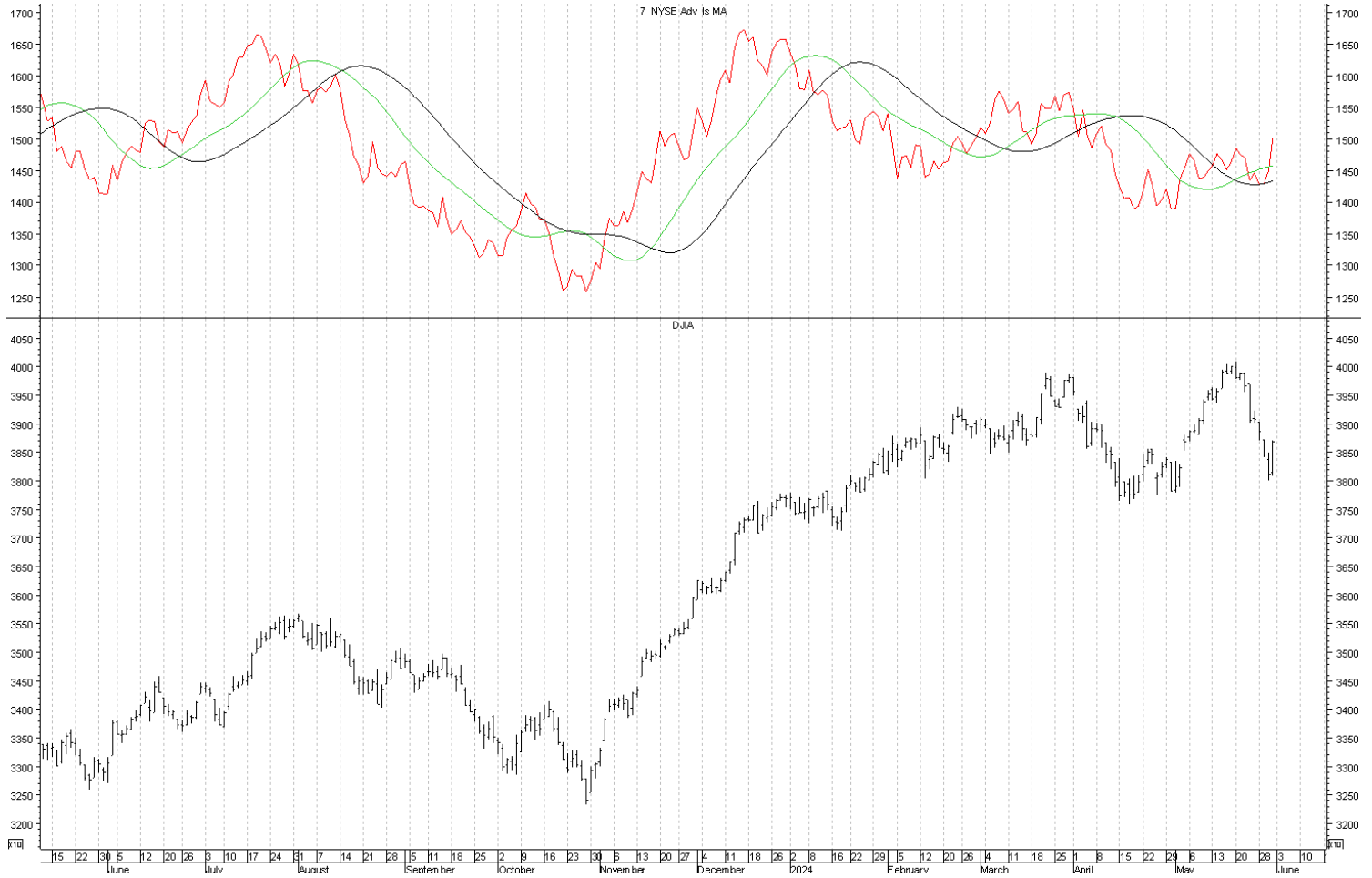
<b>Daily Indicator Summary Short-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Slow Cycle Turn Indicator (CTI)	Bearish
New High/New Low Differential	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
McClellan Intermediate 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	Bullish
Cycle Momentum Indicator	Bullish
Trading Cycle Oscillator	Bearish
Momentum Indicator	Bearish
Ratio Adjusted McClellan Oscillator Crossover	Bullish
Accumulation/Distribution Index	Bullish

The timing band for the now due trading cycle low on the Industrials runs between May 28th and June 14th. The expectation was to see continued weakness into this past week, which we saw and with the completion of a daily swing low on Friday, I suspect this low is now in place. Any further strength that turns ALL Three of the Primary Short-Term Indicators up will trigger a short-term buy signal, which should serve as confirmation of this low whereas any additional weakness should be in association with a retest of this low. At a higher level, with the Industrials completing the formation of a weekly swing high in association with the decline into this trading cycle low, a weekly swing high was formed and confirmed by a downturn of the weekly CTI. In doing so, an intermediate-term sell signal was triggered, leaving the Industrials at risk of a left-translated intermediate-term cycle top. It is now the advance out of the current trading cycle low that must correct this risk with a right-translated trading cycle advance and a bettering of the May 20th trading cycle top. Otherwise, such failure to do so will leave the Industrials at increased risk of a left-translated intermediate-term cycle top, which will in turn be suggestive of the higher degree cycle tops having been

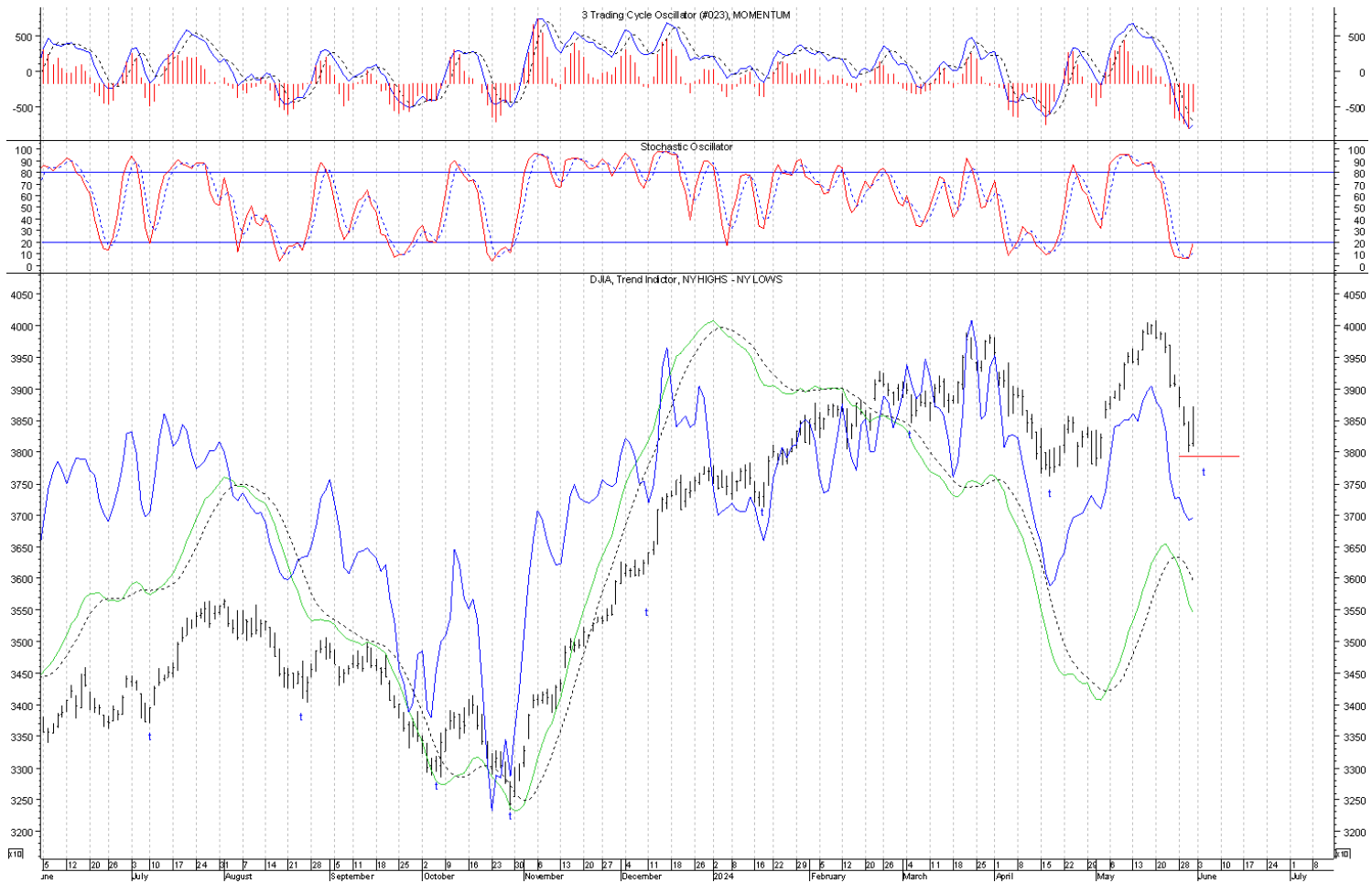
seen. The expectation has been for there to be at least one and ideally two additional trading cycles up in conjunction with the current intermediate-term cycle advance as the higher degree setting up of the CheckMate Chart takes form similar to the 2007 and 2020 tops. Should the current risk of a left-translated intermediate-term cycle top fail to be mended, then such failure will be suggestive of a setting up of the CheckMate Chart more like what was seen in conjunction with the 2000 top rather than with the 2007 and 2020 tops. For this reason, the advance out of the current trading cycle low will be key. More on this as it develops. Also this past week the Transports violated their May 1st trading and intermediate-term cycle low, resulting in 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/s on the Transports should be in place and any advance should now be counter-trend. As the higher degree setup with the 4-year cycle and the CheckMate Chart takes form, the question now is whether the Industrials can muster up another high into the 3rd quarter with another trading cycle or two up as the non-confirmation with the Transports continues to grow, or if we also see a left-translated intermediate-term cycle on them here as well. Again, it will now be the advance out of the current trading cycle low that will be key in that regard. Bottom line, a right-translated trading cycle advance will give the Industrials a structural footing to continue higher into the 3rd quarter as was originally anticipated, whereas a left-translated trading cycle advance will be signaling that this top has been seen sooner than anticipated in conjunction with a setting up of the CheckMate Chart more akin to the 2000 top. Either way, the current trading cycle advance 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. On Friday more weakness followed in association with what should be the higher degree cycle tops. Gasoline bounced off its low on Friday, but Tuesday's short-term sell signal remains intact. 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. Wednesday's short-term sell signal on the CRB Index remains intact and the weekly reversal is suggestive of the recent advance having been 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, 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 and Friday's reversal leaves Gold positioned to do so. Wednesday's short-term sell signal on the XAU remains intact and the trading cycle top should ideally be in place. The Dollar triggered another short-term sell signal on Friday, which once again leaves the Dollar at risk of a left-translated trading cycle top. Bonds triggered a short-term buy signal on Friday and every indication is that the trading cycle low is in place. The expectation is for this 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, continued its upturn on Friday, which in doing so is increasingly suggestive 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.**

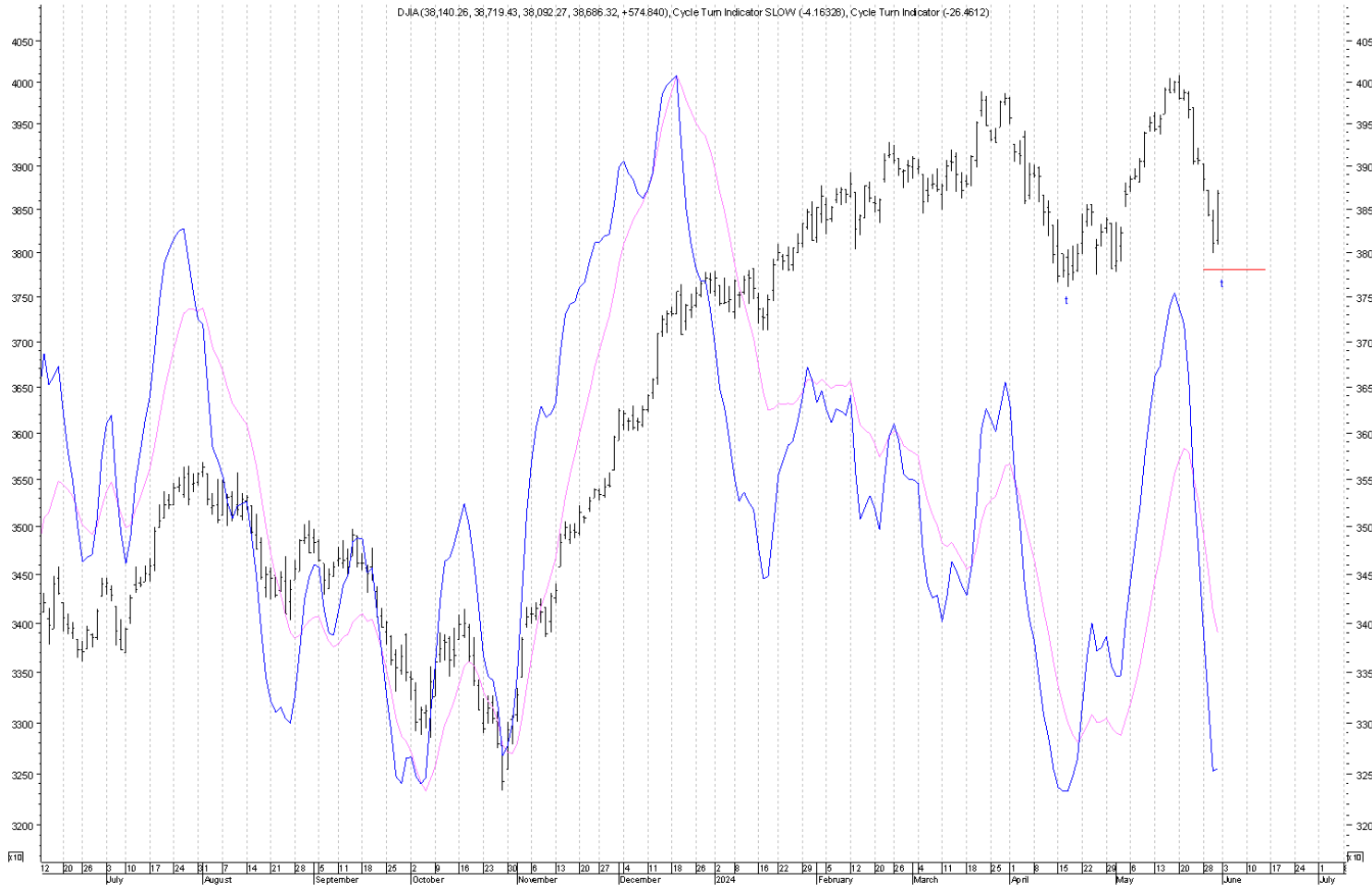


The **Trading Cycle Oscillator** in the upper window continues its downturn as does the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window continued its upturn from oversold levels on Friday, which is increasingly suggestive of the trading cycle low. The **New High/New Low Differential**, plotted with price, ticked up on Friday, which is also now hinting of the trading cycle low. 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.

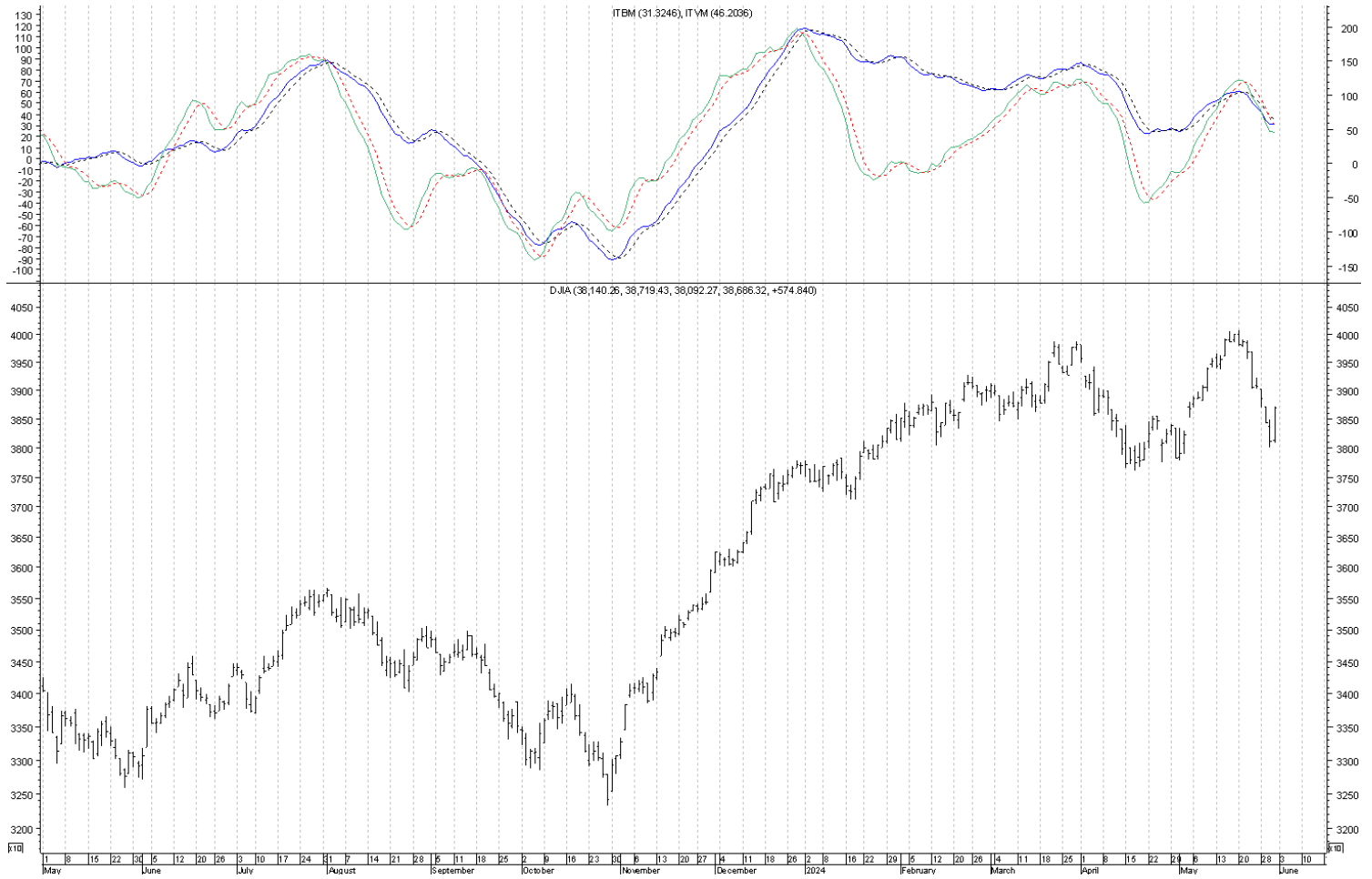


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

The price action on Friday completed the formation of a daily swing low, turning Two of the Three Primary Short-Term Indicators up. Any further strength that turns ALL Three of these indicators into gear to the upside will trigger a short-term buy signal in association with what should be the trading cycle low, whereas any additional weakness should be in association with an ending push into or retest of the trading cycle low.

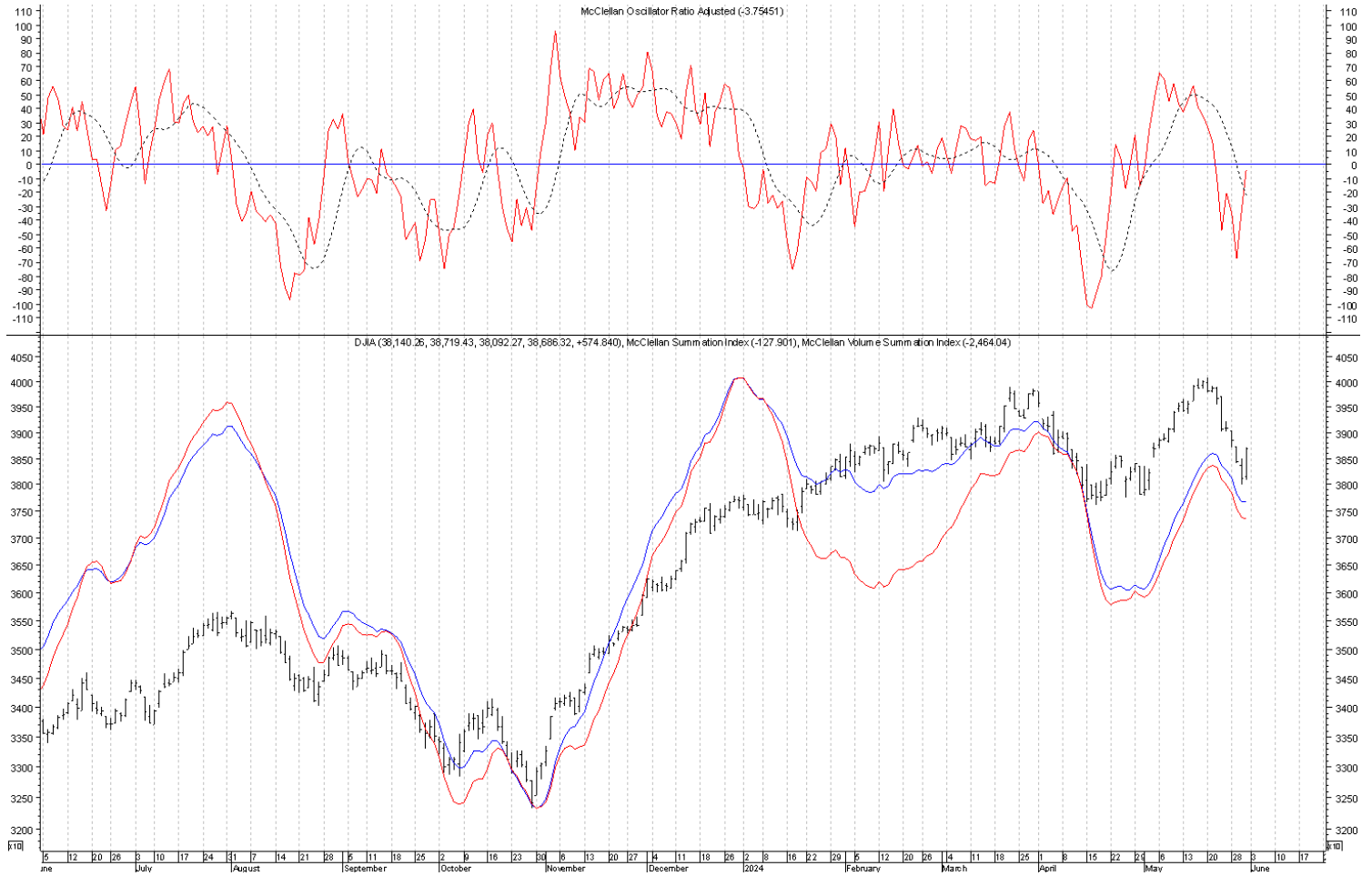


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** remain below their trigger lines. Upturns here will be further suggestive of the trading cycle low having been seen.

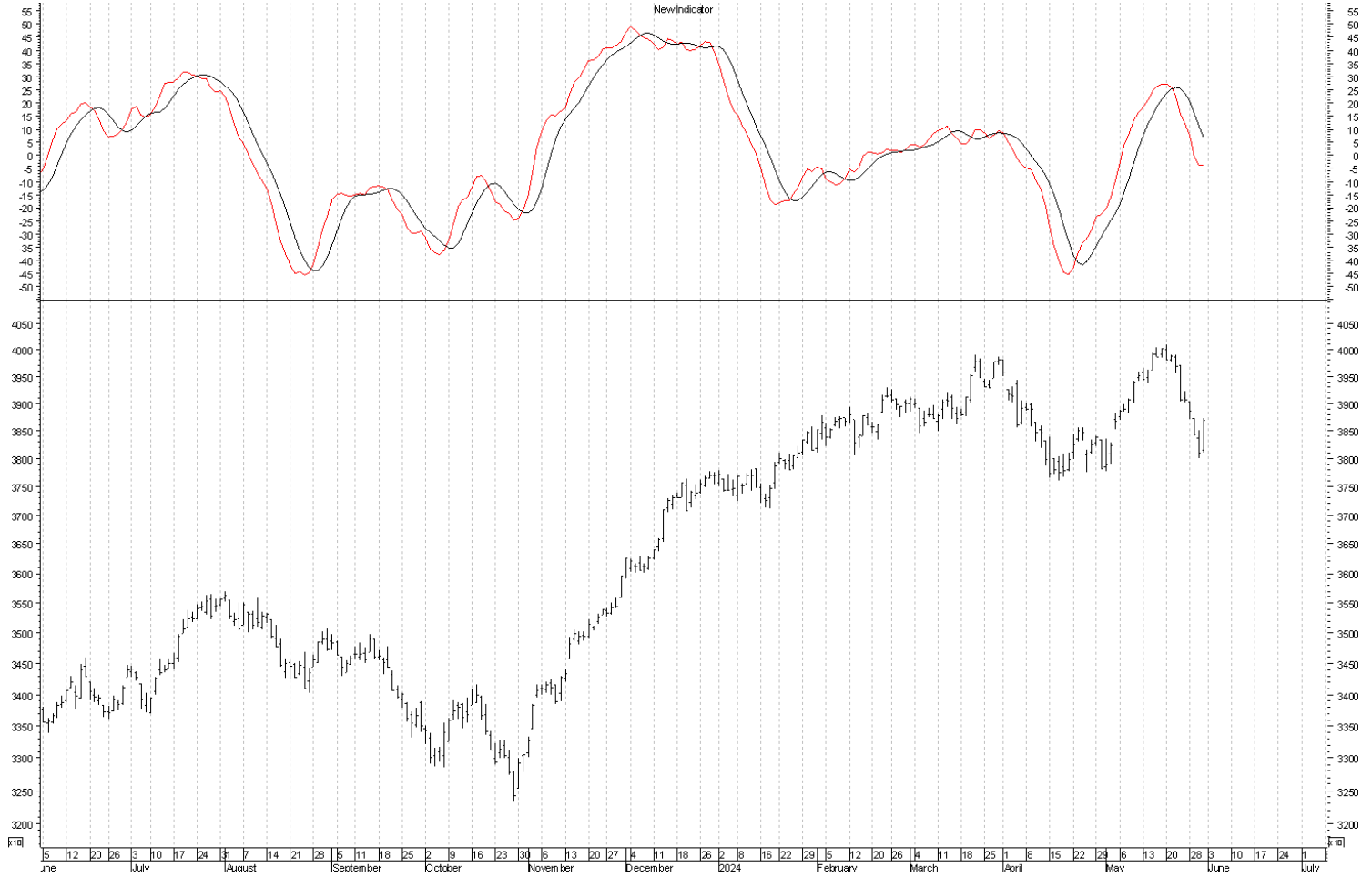




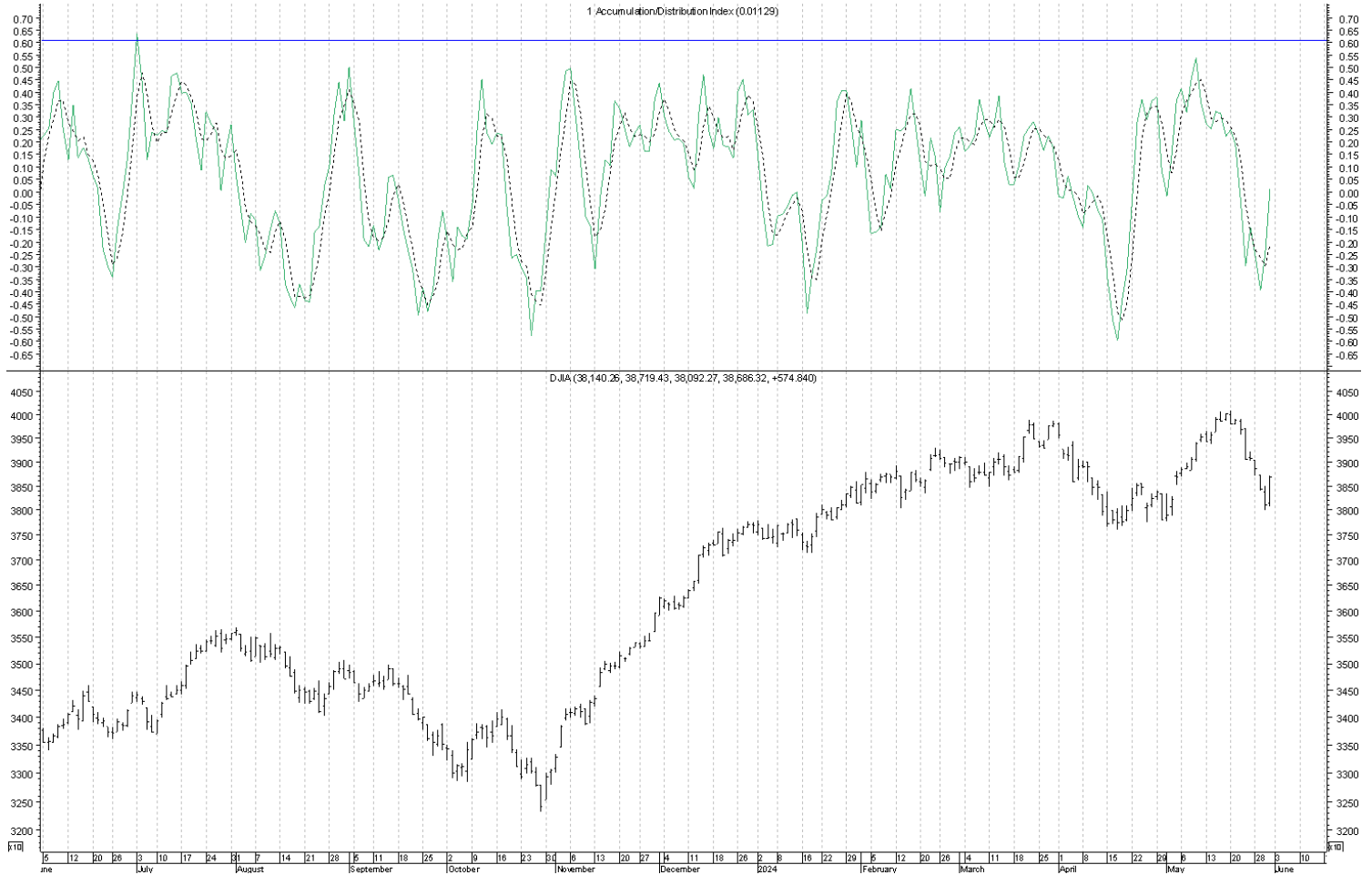
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** remain negative and upturns here will also be further reflective of the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window has turned back above its trigger line, which is suggestive of the trading cycle low having been seen. The triggering of a short-term buy signal and crossing above both the trigger and zero lines should serve as confirmation of both the buy signal and the trading cycle low.



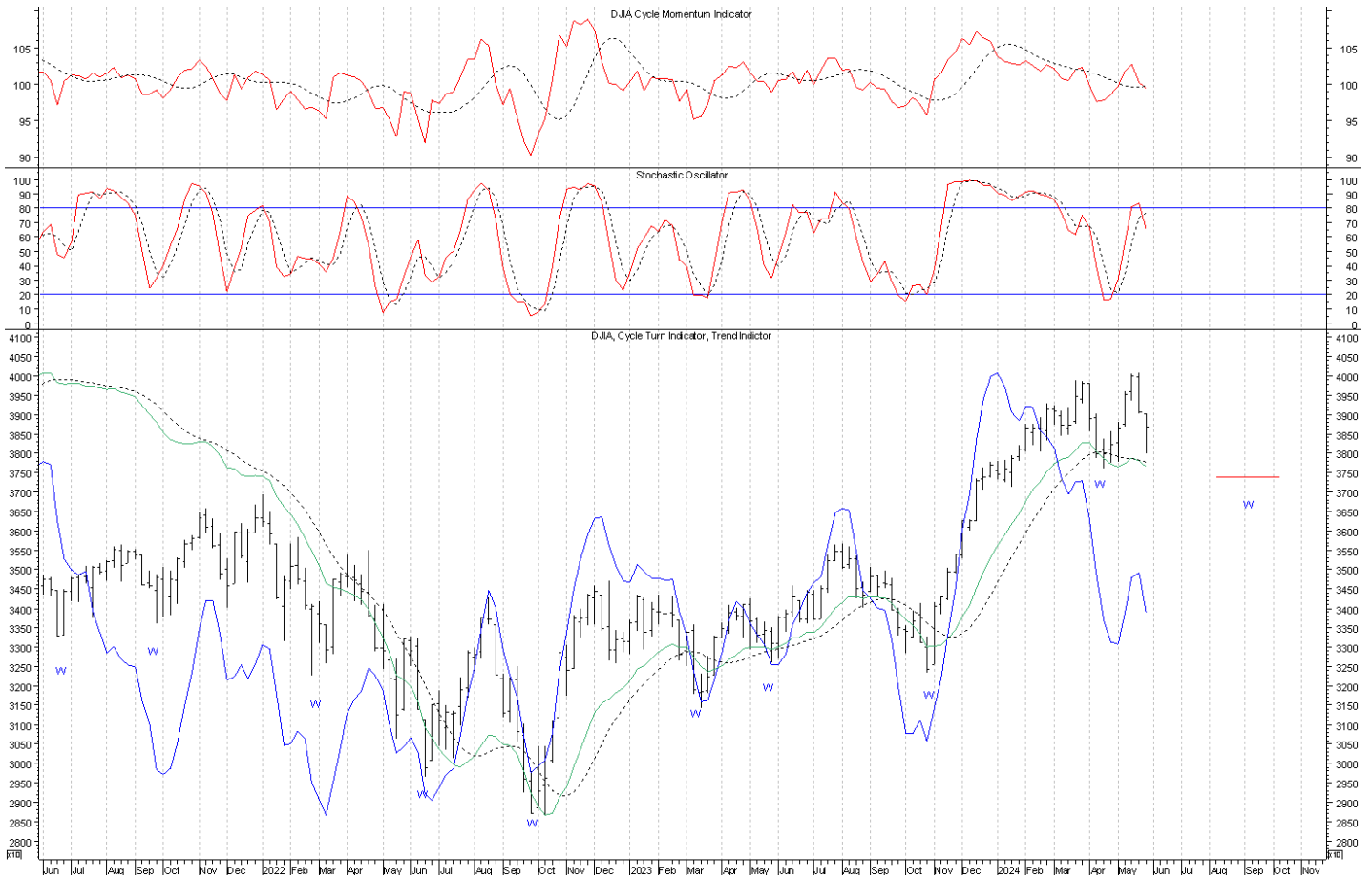
The smoothed McClellan oscillator remains below its trigger line. A crossing back above the trigger line in association with the triggering of a short-term buy signal should also serve as confirmation of the trading cycle low having been seen.



The **Accumulation/Distribution Index** had ticked up, which we knew had begun telegraphing the trading cycle low. Given the continued upturn and completion of a daily swing low on Friday, the price/oscillator picture here is increasingly suggestive of the trading cycle low, which should now be confirmed once a short-term buy signal is triggered. Failure to see the triggering of a short-term buy signal and the trading cycle low here will put the Industrials at increased risk of a violation of the April 17th trading cycle low and a left-translated intermediate-term cycle top.



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 cycle last bottomed in conjunction with the April 17th trading cycle low and the expectation has been for continued strength as we move up into the 3rd quarter in association with the anticipated setting up of the CheckMate Chart. The May 24th weekly reversal was followed by continued weakness this past week and per the parameters given here in last weekend's update, a weekly swing high was formed and confirmed by a downturn of the weekly CTI, triggering an intermediate-term sell signal. In doing so, this now leaves the Industrials at increased risk of a left-translated intermediate-term cycle top. If the advance out of the current and suspected May 30th trading cycle low fails to mend this risk with the completion of another weekly swing low and right-translated trading cycle advance, then by default, such failure will be indicative of a left-translated intermediate-term cycle top having been seen and the threat to Equities is that such development will then be further suggestive of the seasonal and what should also be the 4-year cycle top as well. Therefore this is without question a critical cyclical juncture and the advance out of the current trading cycle low is absolutely key. For now, this intermediate-term sell signal will remain intact until another weekly swing low and upturn of the weekly CTI are seen. The timing band for the next intermediate-term cycle low runs between August 9th and October 11th. A weekly swing low will be completed in the coming week if 38,000.96 holds and if 39,028.99 is bettered.

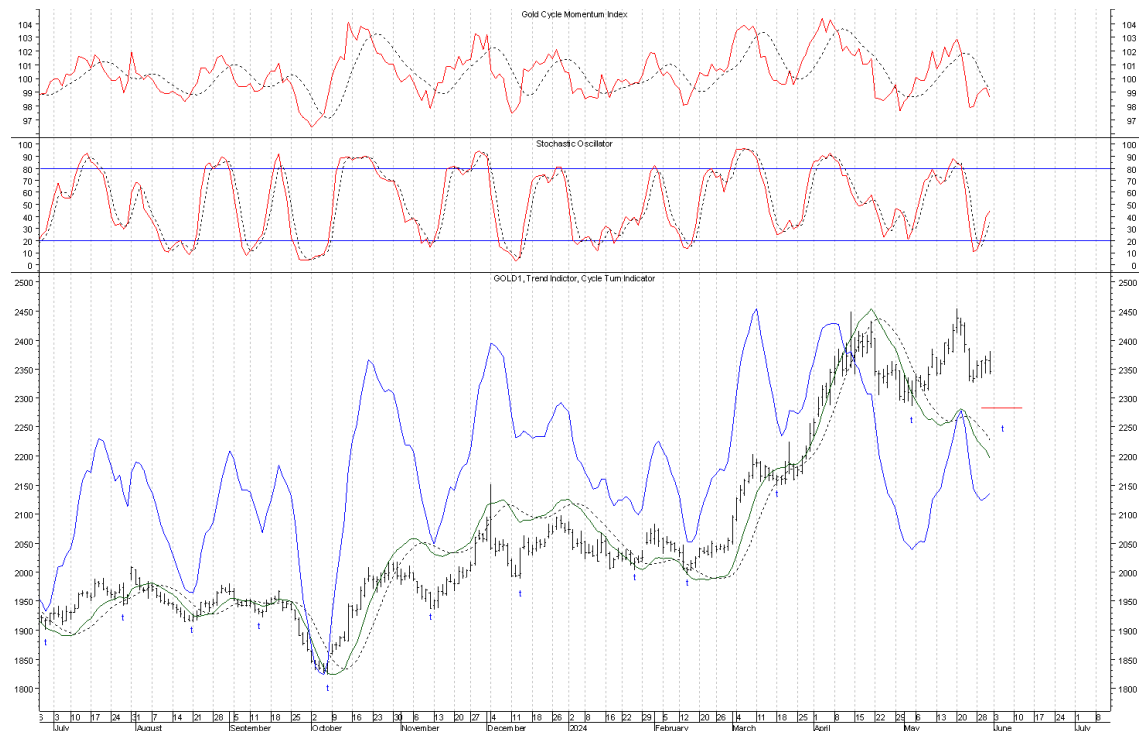


## Gold

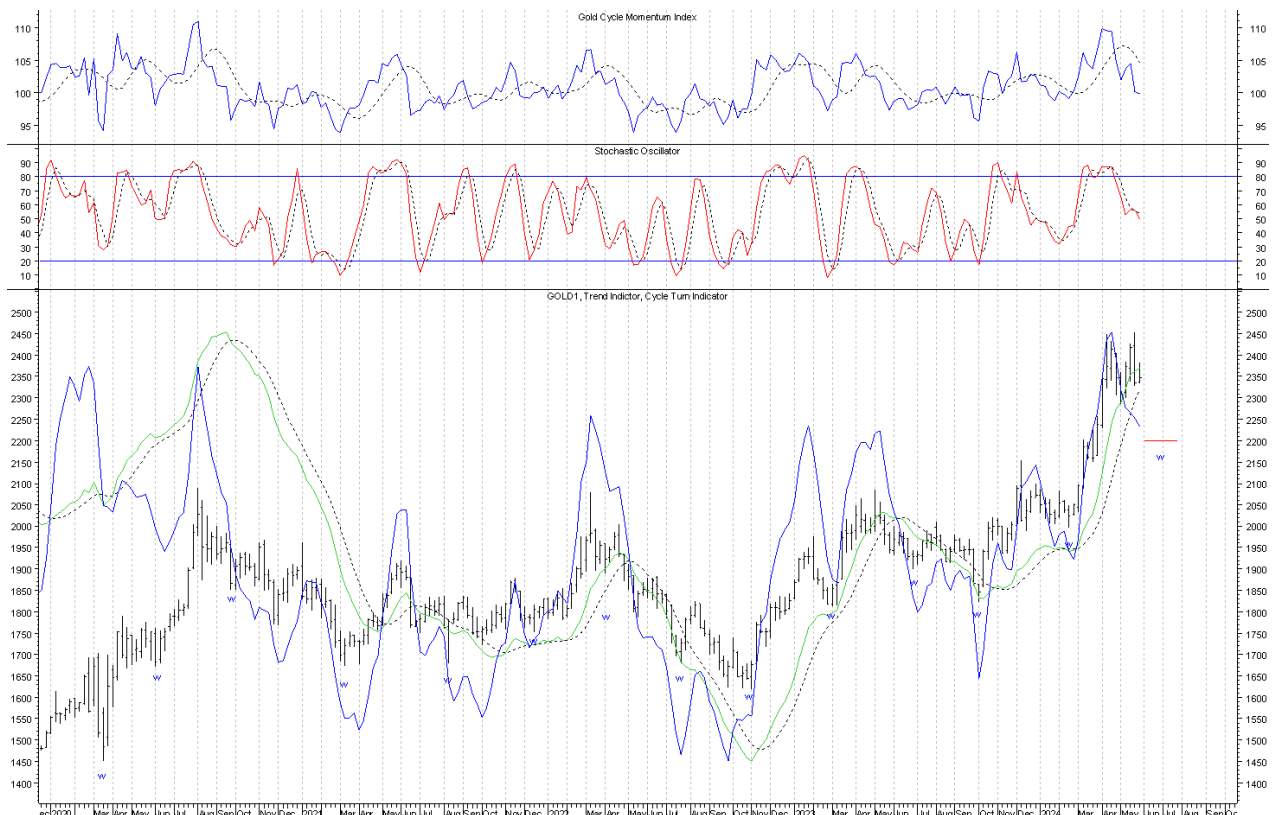
End of Week Intermediate-Term Indicator Summary <b>Intermediate-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
<b>Secondary Indicators</b>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

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

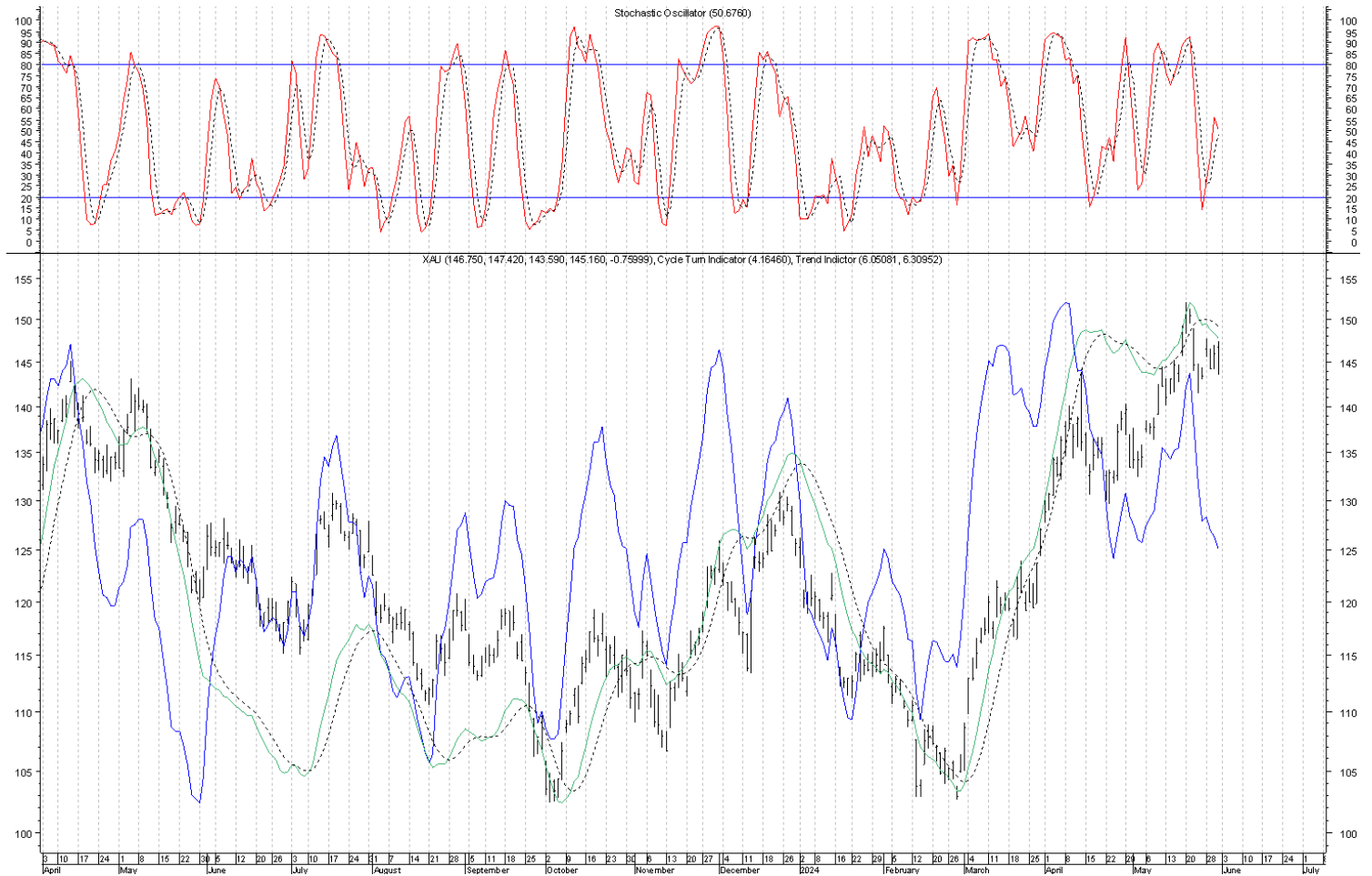
The trading cycle low was seen on May 3rd and the timing band for the current trading cycle low runs between May 29th and June 12th. As discussed in recent updates, in spite of the short-term buy signal that was triggered in association with the advance out of the May 24th daily swing low, with the May 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 and Friday's reversal leaves Gold positioned for such move. That said, any additional strength as we move into the end of the coming week will force the May 24th daily swing low into having marked the trading cycle low. Until such time, I continue to think that the trading cycle low still lies ahead. 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 Monday if 2,381.20 is not bettered and if 2,341.10 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.



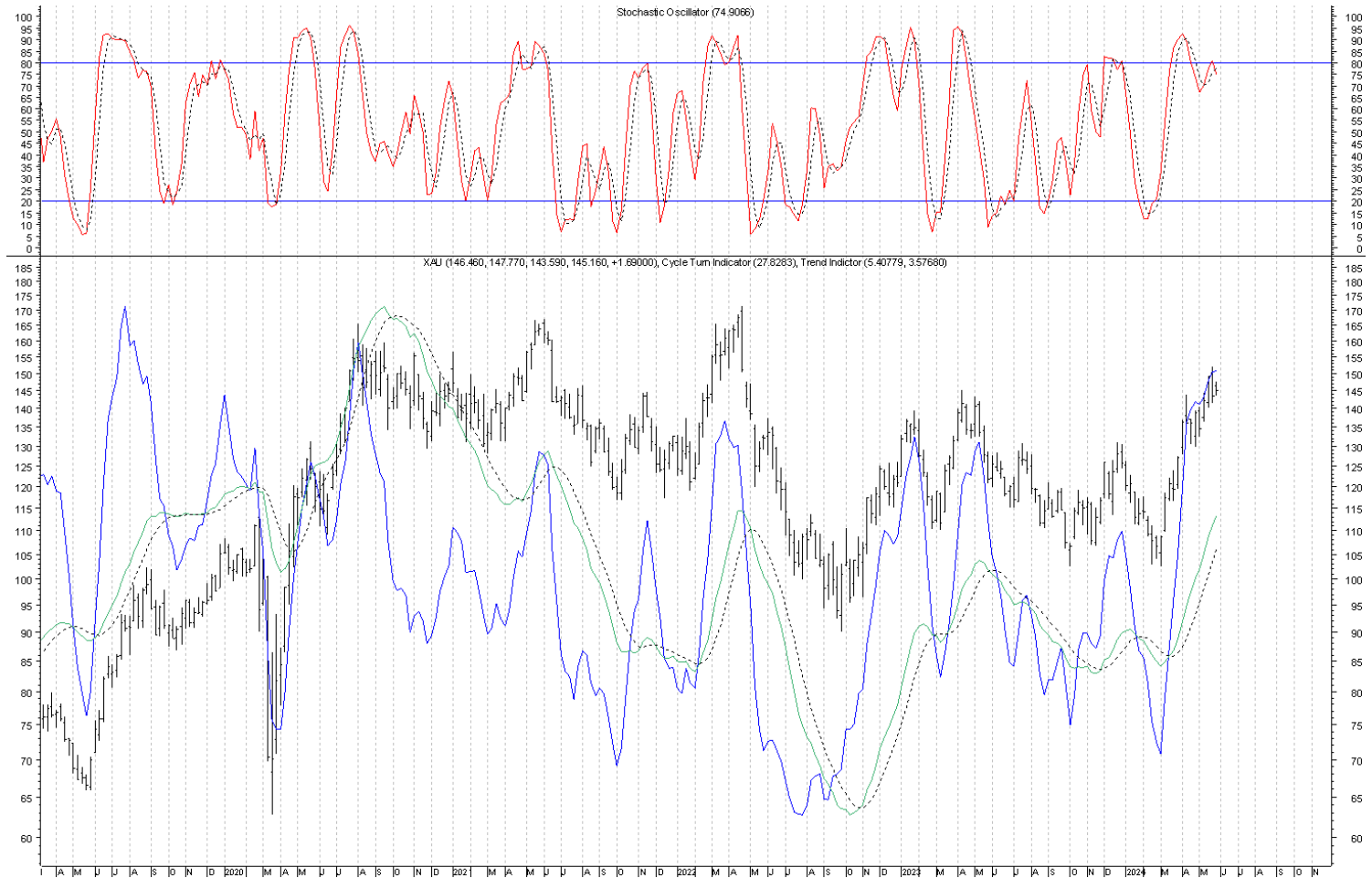
Our weekly chart of Gold is next and with this last week being an inside week with regard to the May 24th weekly reversal, there have been no changes at this level. The timing band for the next intermediate-term cycle low runs between June 4th and July 23rd. With the completion of a weekly swing high 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 and 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 the reversal seen the week of May 24th, 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 ahead between now and July 23rd. 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 originally 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 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 and on Friday the XAU completed the formation of another daily swing high, leaving it positioned to continue lower out of the trading and what should ideally be the higher degree intermediate-term cycle top. As with Gold, if the decline out of this trading cycle top completes the formation of another weekly swing high, every indication will be that the intermediate-term cycle top has likely been seen. Another daily swing low will be completed on Monday if 143.59 holds and if 147.42 is bettered.



Our weekly chart of the XAU is next and the price/oscillator picture at this level is extremely ripe for the intermediate-term cycle top. The price action the week of May 3rd completed the formation of a weekly swing low. This past week was an inside week with respect to the May 24th weekly price bar and for that reason, as with Gold, there were no changes at this level. 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 Sell**

#### Primary Indicators

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

#### Confirming Indicators

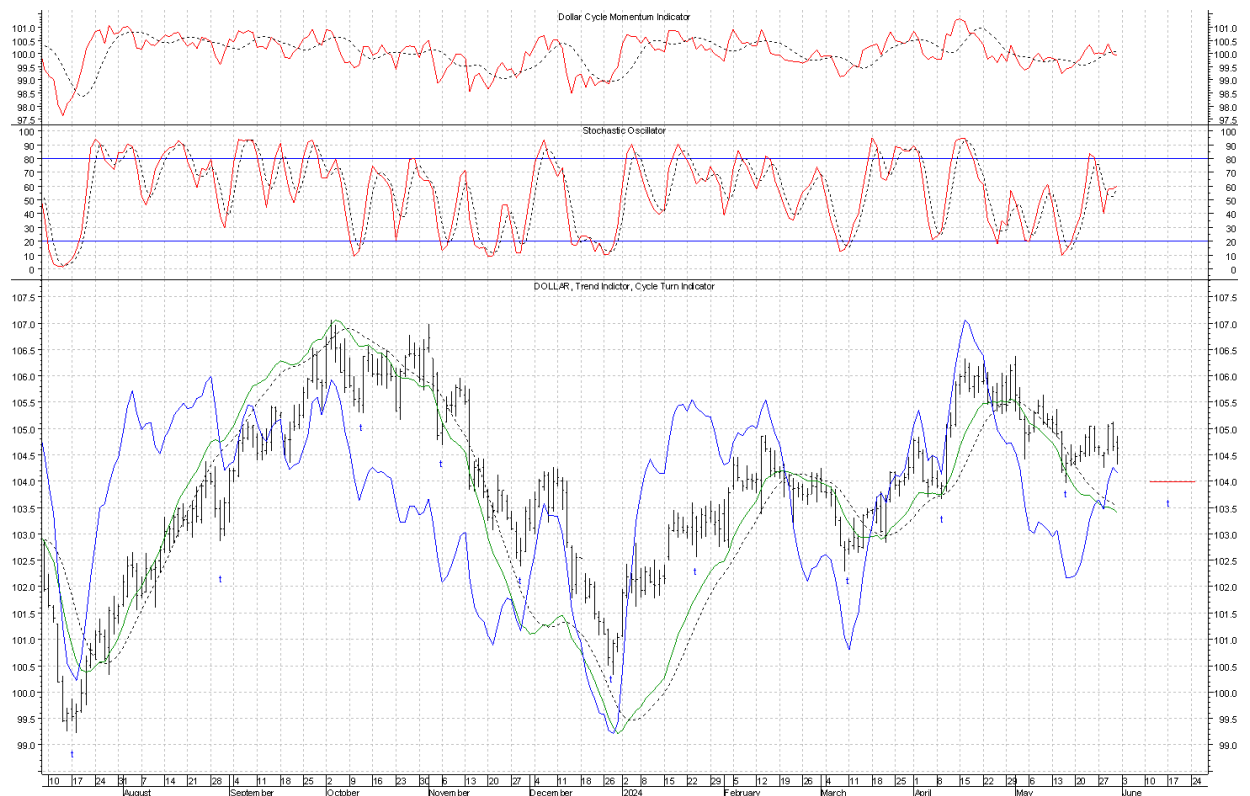
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish

#### Secondary Indicators

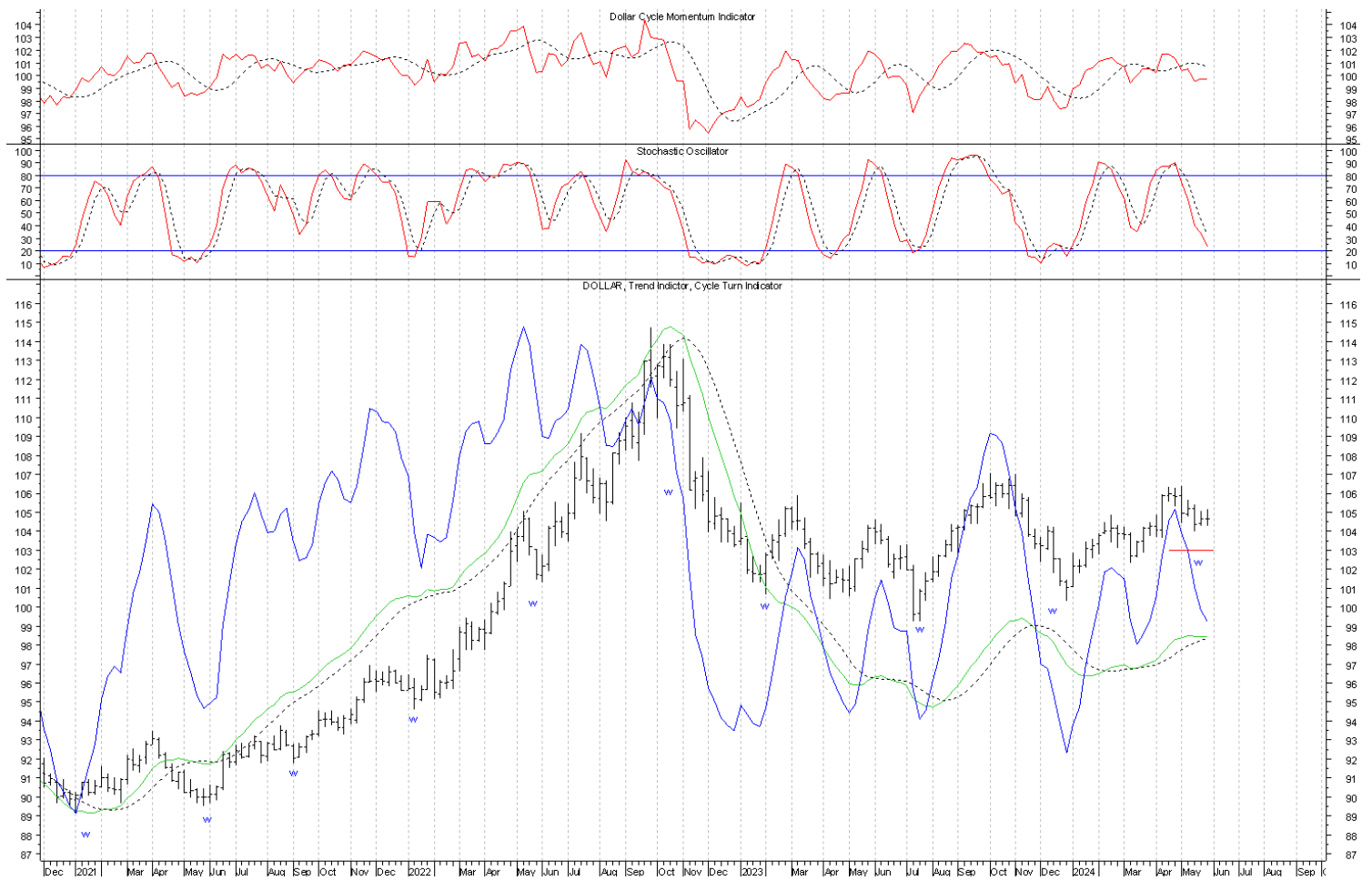
5 3 3 Stochastic	Bullish
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The trading cycle low was seen on May 16th and the timing band for the next trading cycle low runs between June 11th and June 25th. The price action on Friday completed the formation of another daily swing high and with the downturn of the daily **CTI** a short-term sell signal was triggered. As a result, my suspicion is that the retest of the trading cycle top has run its course. However, as confirmation of such, we need to see continued weakness and a close below the May 28th daily swing low should pretty well give that confirmation. To the contrary, any additional strength should be in association with yet another retest of the trading cycle top. A daily swing low will be completed on Monday if 104.31 holds and if 104.85 is bettered. 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.

Therefore, this trading cycle remains structurally key with regard to the higher degree intermediate-term cycle low.



Our weekly chart of the Dollar is next and with the last two weeks being inside weeks with respect to the May 17th price bar, there have been no changes at this level. 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 here last week and again 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, which we are currently at risk of, 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 intermediate-term 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.



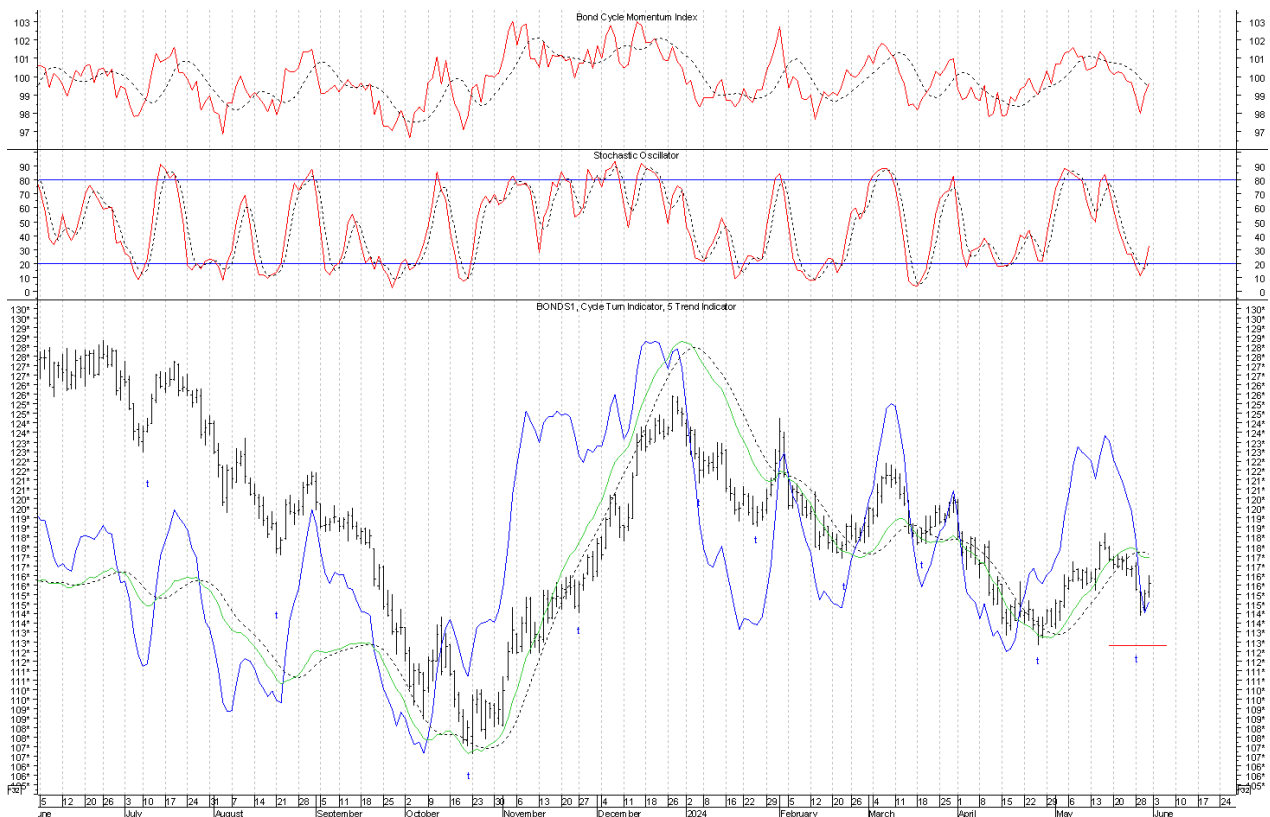
## Bonds

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

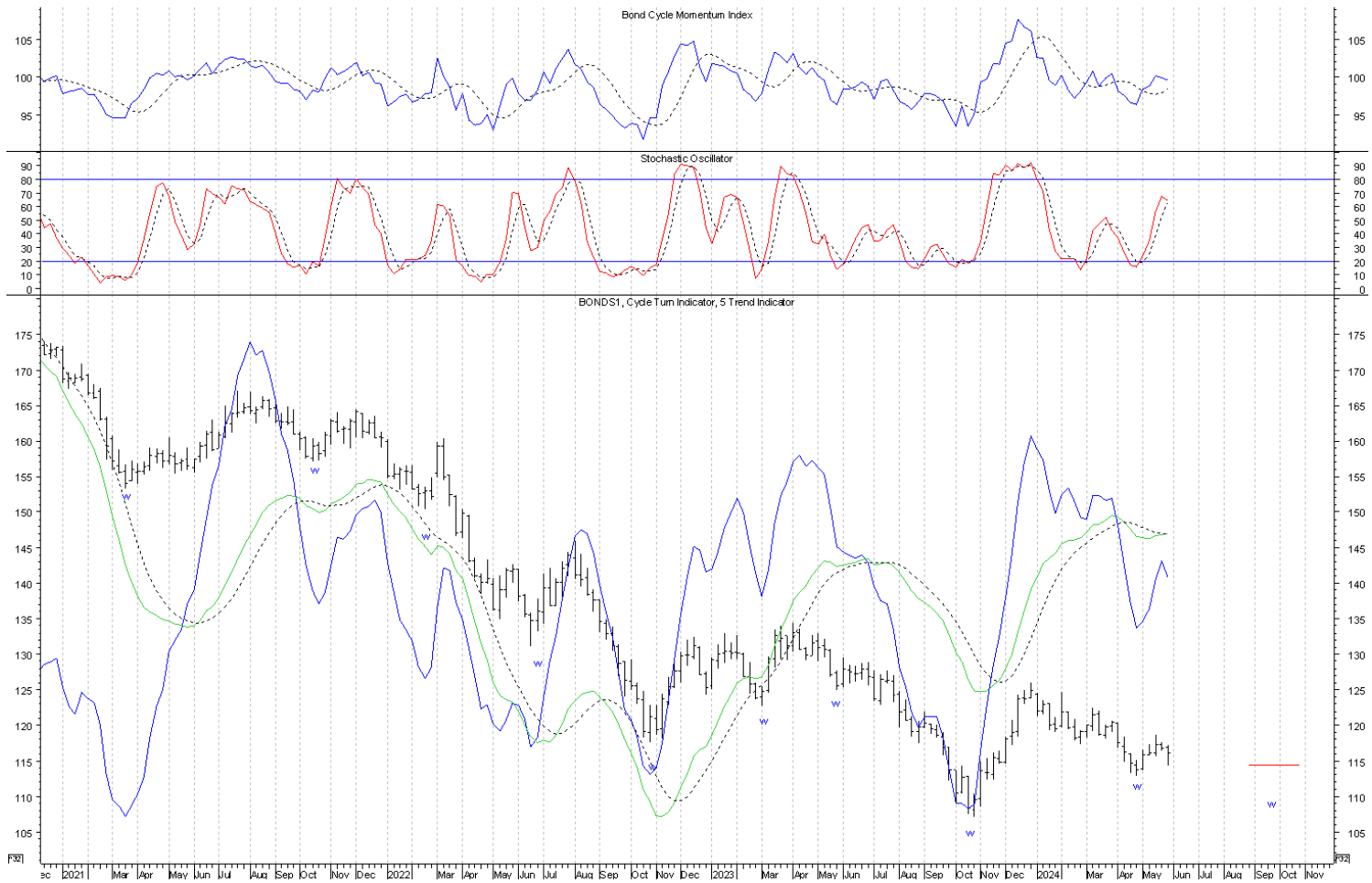
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bullish

The timing band for the current trading cycle low runs between May 17th and June 6th. With price having moved 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, we knew that this low should be close at hand. With the completion of a daily swing low and upturn of the daily CTI on Friday, a short-term buy signal was triggered and every indication is that the trading cycle low is now 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 was for the decline into the trading cycle low to be counter-trend, which has proven correct. Now with this low in place, Bonds are positioned to continue higher in association with the intermediate-term cycle advance and in order to keep the intermediate-term cycle advance

structurally positive, this trading cycle advance must carry Bonds above the May 16th daily swing high with a right-translated structure. Otherwise, something else is going on.

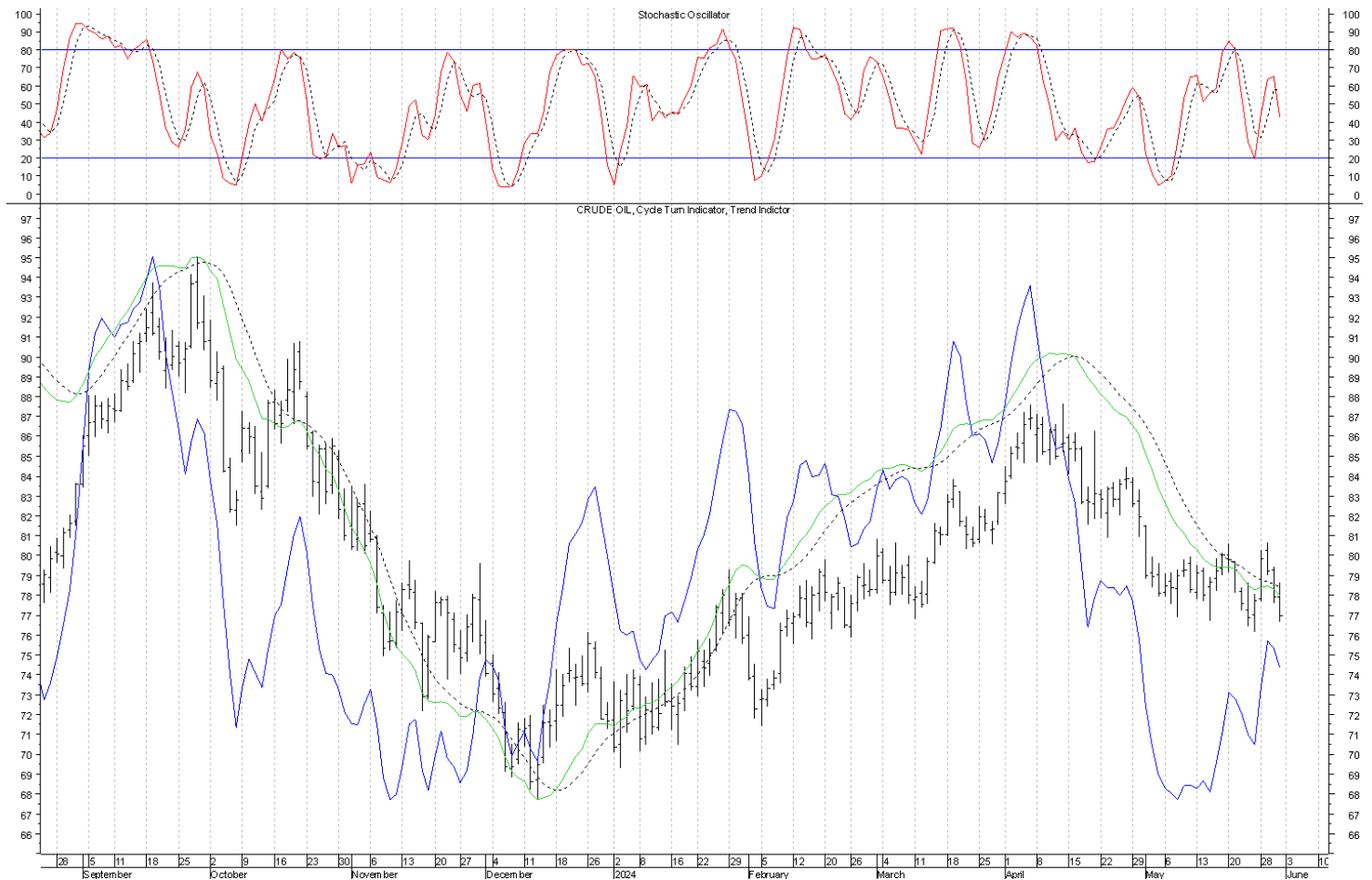


The intermediate-term cycle low was seen in conjunction with the April 25th trading cycle low and the timing band for the next intermediate-term cycle low runs between August 30th and October 25th. Given the evidence of the intermediate-term cycle low, the expectation was for the decline out of the May 16th trading cycle top to be a counter-trend structural test of the intermediate-term cycle low. While this decline completed the formation of a weekly swing high this past week that was confirmed by a downturn of the weekly **CTI**, triggering an intermediate-term sell signal, this expectation has not changed. However, now that the trading cycle low is in place, this trading cycle advance must carry Bonds up with a right-translated structure reversing this week's intermediate-term sell signal. Otherwise, something else is going on. Assuming Bonds do continue higher out of the current trading cycle low as anticipated, it should be in conjunction with this intermediate-term advance that we begin to see rates coming under pressure.

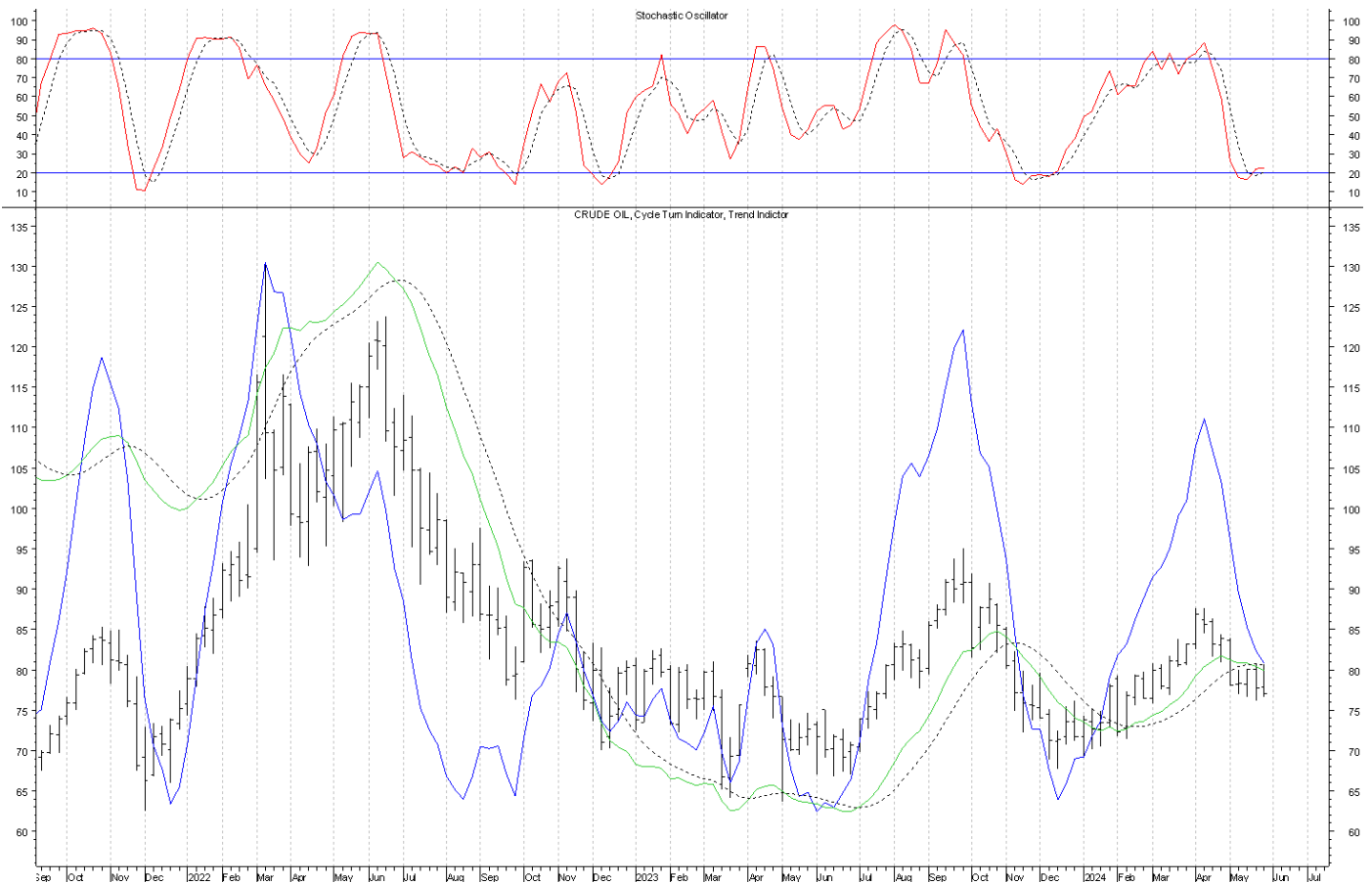


## Crude Oil

The expectation was for the advance out of the May 24th daily swing low to be counter-trend. Wednesday's reversal lower was followed by the completion of a daily swing high on Thursday and with the downturn of the daily **CTI**, a short-term sell signal was triggered. On Friday more weakness followed and this ongoing sell signal continues to be 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 Monday if 76.67 holds and if 78.62 is bettered.



Our weekly chart of Crude Oil is next. With the marginal bettering of the May 20th high before reversing lower on Wednesday, Crude Oil completed the formation of a weekly swing low. However, because of the reversal lower that followed and with the weekly CTI remaining negative, the April 19th intermediate-term sell signal remains intact. This decline has carried price to oversold levels, per the 5 3 3 Stochastic, which is now trying to turn up from oversold levels. As discussed in last weekend's update I would still ideally like to see another trading cycle down into the intermediate-term cycle low. However, once a weekly swing low and upturn of the weekly CTI are seen, this low should be in place. 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. Another weekly swing high will be completed in the coming week if 80.62 is not bettered and if 76.67 is violated.



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