

Tim W. Wood's

# Cycles News & Views

*Specializing in Dow Theory and Cycles Analysis*



1545 Gulf Shores Pkwy, PMB #251 • Gulf Shores, Alabama 36542 • 504-208-9781 • www.cyclesman.net

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## Cycle Turn Indicator Direction and Swing Summary of Select Markets as of the close on June 4, 2024

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

\*Since this fund is quoted at the end of the day it is impossible for the concept of swing highs and lows to apply on a daily level. The primary interests here are the weekly developments.

The daily is representative of the short-term and the weekly is representative of the intermediate-term

# Short-term Updates

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## **Note on the Cycle Turn Indicator**

The most important indicator we have is the Cycle Turn Indicator and the most important timeframe, at least in my mind, is the intermediate-term. This indicator has proven itself time and time again. In reality, this is all we really need to know. Everything else is secondary. That being said, please be sure to monitor the "Cycle Turn Indicator Direction and Swing Summary" above. Red indicates that a swing high and down turn of the Cycle Turn Indicator has occurred and lower prices should follow. The only exception here is that on the daily stock market signals we also want to see both the slow cycle Turn Indicator and the New High/New Low Differential in agreement with the original Cycle Turn Indicator, which is what is covered in this summary above. Yellow, is cautionary meaning that the Cycle Turn Indicator and the swing are not in agreement, which is typically indicative of a trend change. Green, means that a swing low has occurred and that the Cycle Turn Indicator is positive, which should be followed by higher prices. Again, the only exception here is the daily stock market signals in that we want to see both the slow Cycle Turn Indicator and the New High/New Low Differential in agreement with the original Cycle Turn Indicator, which is what is covered in this summary above. For everything else, all that matters is the formation of a swing and the direction of the Cycle Turn Indicator.

See Notes for New Subscribers at the bottom of the Short-Term Update Page or the Research Letter page for information on understanding Cycles and Swings.

June 4, 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	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	Bullish
Cycle Momentum Indicator	Bullish
Trading Cycle Oscillator	Bullish
Momentum Indicator	Bullish
Ratio Adjusted McClellan Oscillator Crossover	Bullish
Accumulation/Distribution Index	Bearish

The timing band for the now due trading cycle low on the Industrials runs between May 28th and June 14th. I continue to believe this low was seen in conjunction with the May 30th daily swing low, but as additional confirmation, we still need to see the triggering of a short-term buy signal, which will come once a daily swing low AND upturn of ALL Three of the Primary Short-Term Indicators are seen. It will be the advance out of this trading cycle low that must reverse last week's weekly swing low and intermediate-term sell signal, in conjunction with a right-translated trading cycle advance, in order to negate the possibility of a left-translated intermediate-term cycle top. Otherwise, in such absence, the structure 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. Thus far, that expectation has not changed. But, 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 in line with setup 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 remains key! More on this as it develops.

The short-term sell signal following the counter-trend advance out of the May 24th daily swing low on Crude Oil remains intact. This decline has carried price to oversold levels making conditions ripe for a bounce, but every indication is that the higher degree cycle top/s have been seen, thus any advance should again be counter-trend.

The short-term sell signal on Gasoline remains intact and here too, every indication is that the higher degree cycle top/s have been seen. Short-term, as with Crude Oil, this decline has moved to oversold levels, but any advance should again be counter-trend.

Natural Gas triggered a short-term buy signal on Monday, but the expectation is for it to be counter-trend and Tuesday's reversal is suggestive of this advance having run its course.

The short-term sell signal on the CRB Index remains intact and the weekly swing high that is now in the making is suggestive of both the trading and intermediate-term cycle tops.

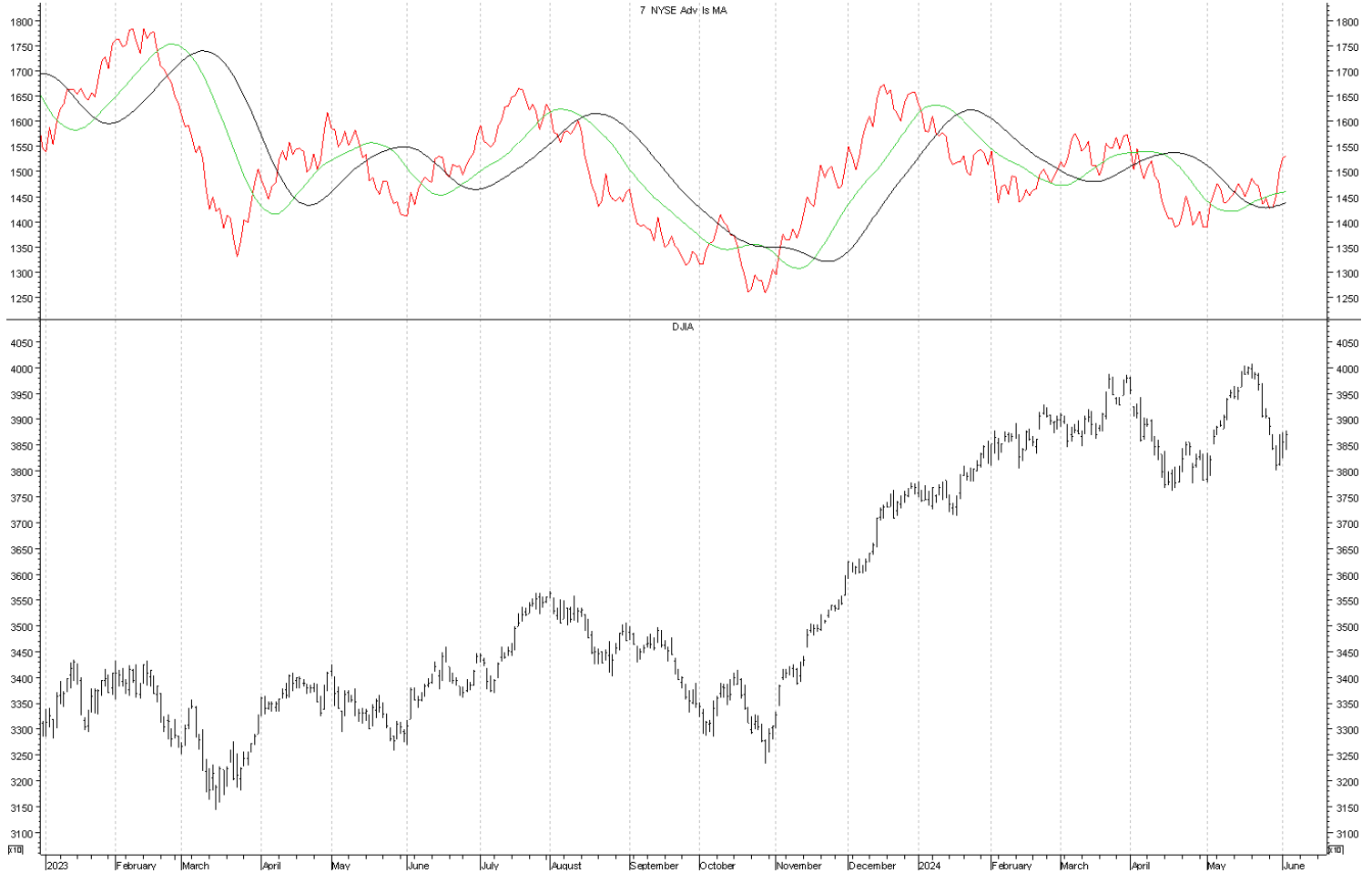
Gold completed the formation of a daily swing high on Monday and on Tuesday another short-term sell signal was triggered, leaving Gold positioned for an additional push into the trading cycle low.

The short-term sell signal on the XAU remains intact and with the completion of a weekly swing high this week, both the trading and intermediate-term cycle tops should be in place.

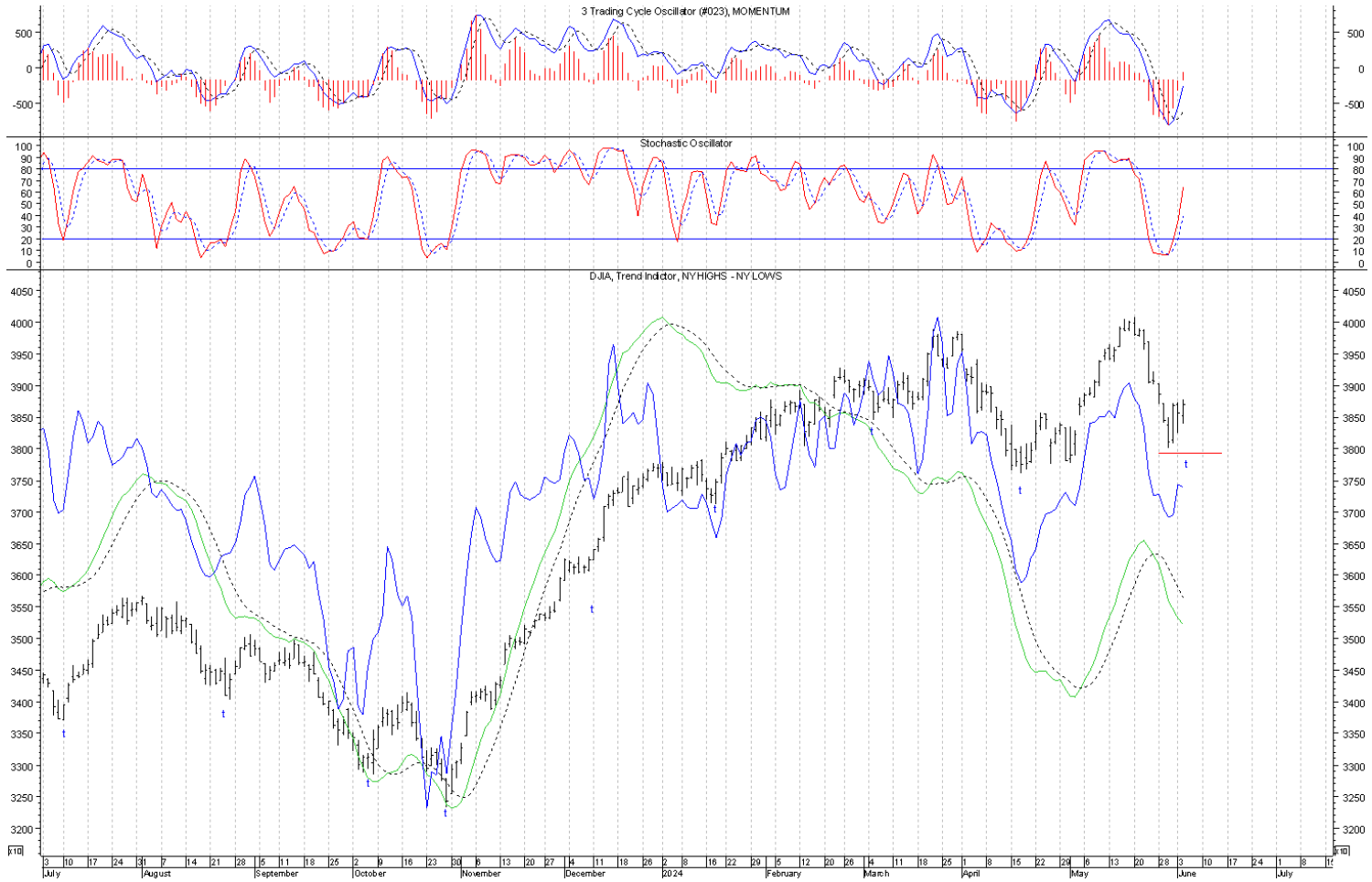
Friday's short-term sell signal on the Dollar remains intact and the trading cycle low should ideally still lie ahead.

Friday's short-term buy signal on Bonds remains intact and the price action this week has completed the formation of a weekly swing low. The expectation continues to be 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, which is increasingly suggestive of the trading cycle low. The Green MA continues its upturn above the Black MA, which is reflective of the intermediate-term cycle low.**

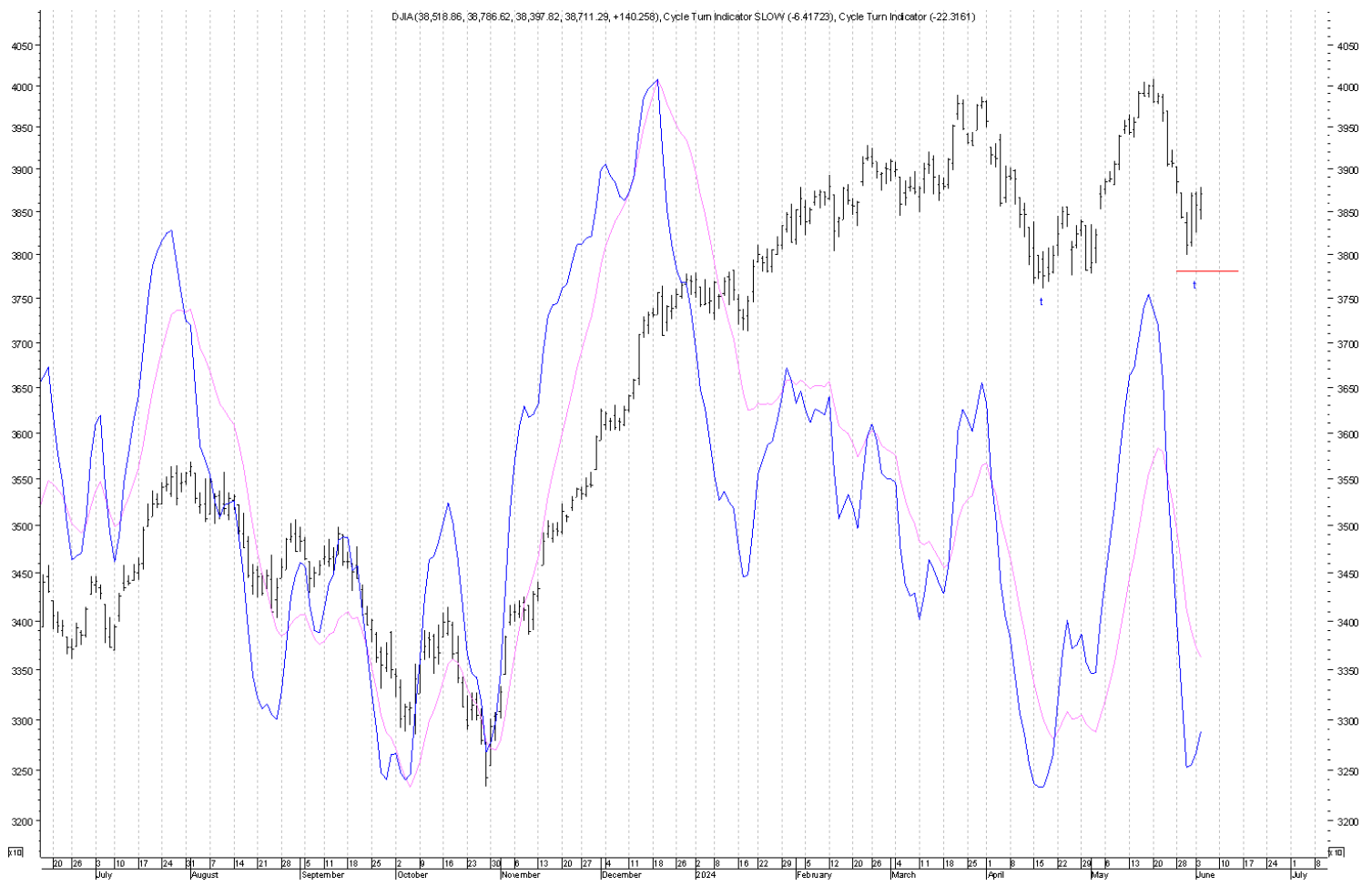


The **Trading Cycle Oscillator** in the upper window has turned up, as has the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window continues its upturn from oversold levels as well and the overall oscillator picture here continues to be increasingly suggestive of the trading cycle low. The **New High/New Low Differential**, plotted with price, ticked back down on Tuesday, but overall is still suggestive of the trading cycle low. The **Trend Indicator** continues its decline below the trigger line and the divergence that has formed since the January high continues to be reflective of the pending seasonal and higher degree cycle tops.

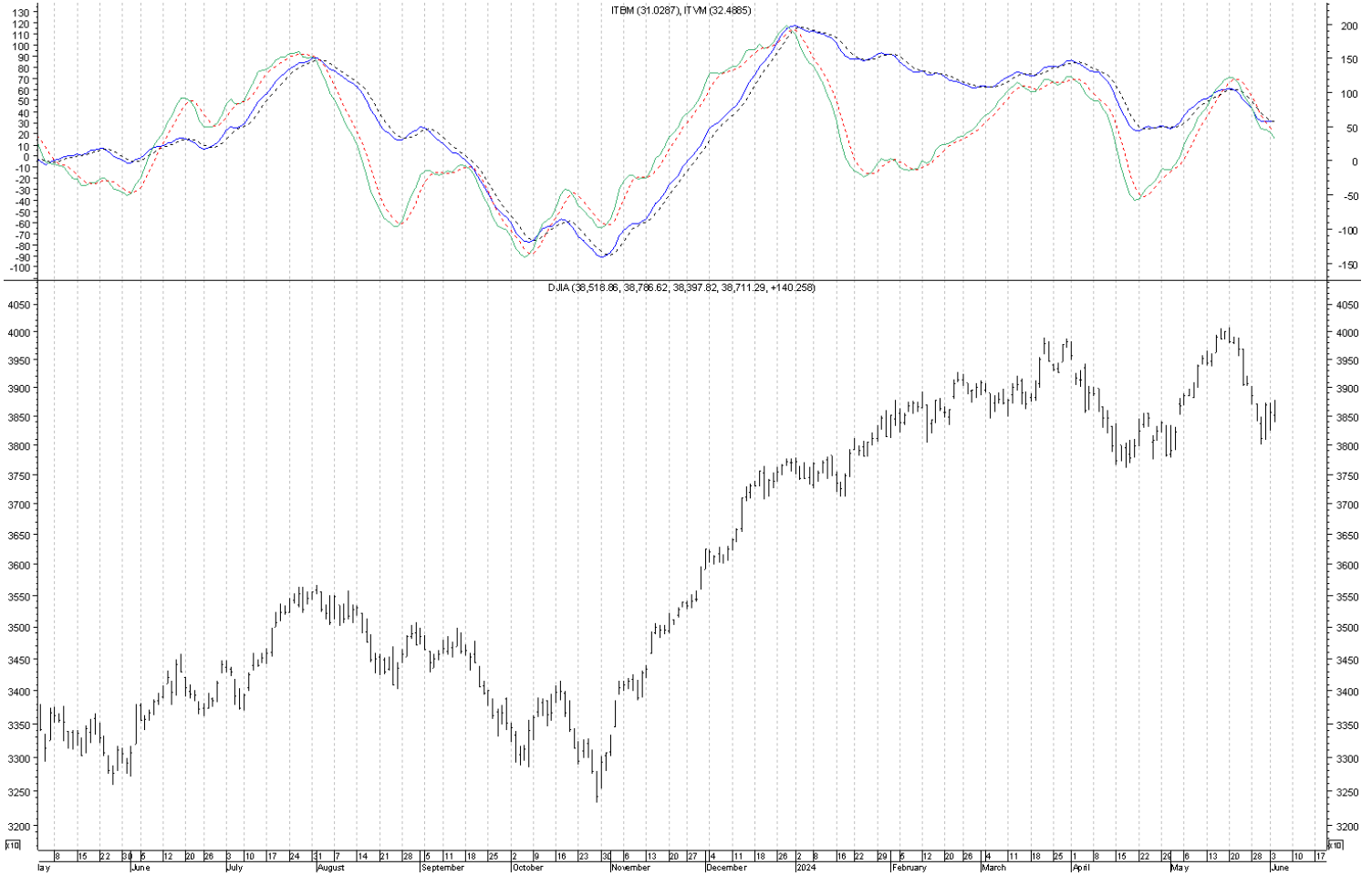


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

The price action on Friday completed the formation of a daily swing low, turning Two of the Three Primary Short-Term Indicators up. As of the close on Tuesday, only One of the Three Primary Short-Term Indicators is positive and for that reason a short-term buy signal has still not been triggered. 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 serve as confirmation of the suspected trading cycle low. To the contrary, any additional weakness below the May 30th daily swing low will have to be evaluated at that time as to being in association with an ending push into the trading cycle low or a failed trading cycle.

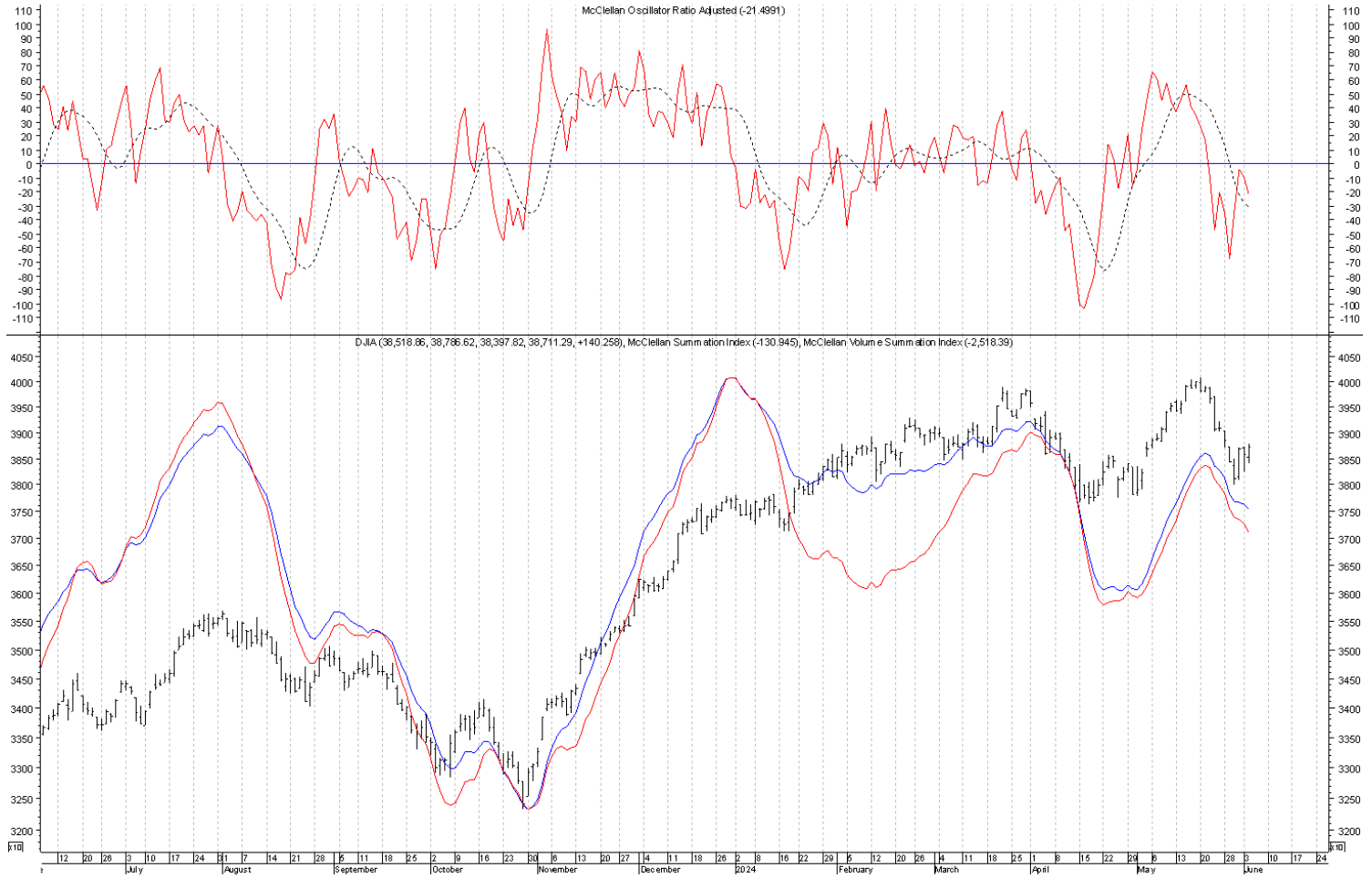


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** remain below their trigger lines. Upturns here will be further suggestive of the trading cycle low having been seen.

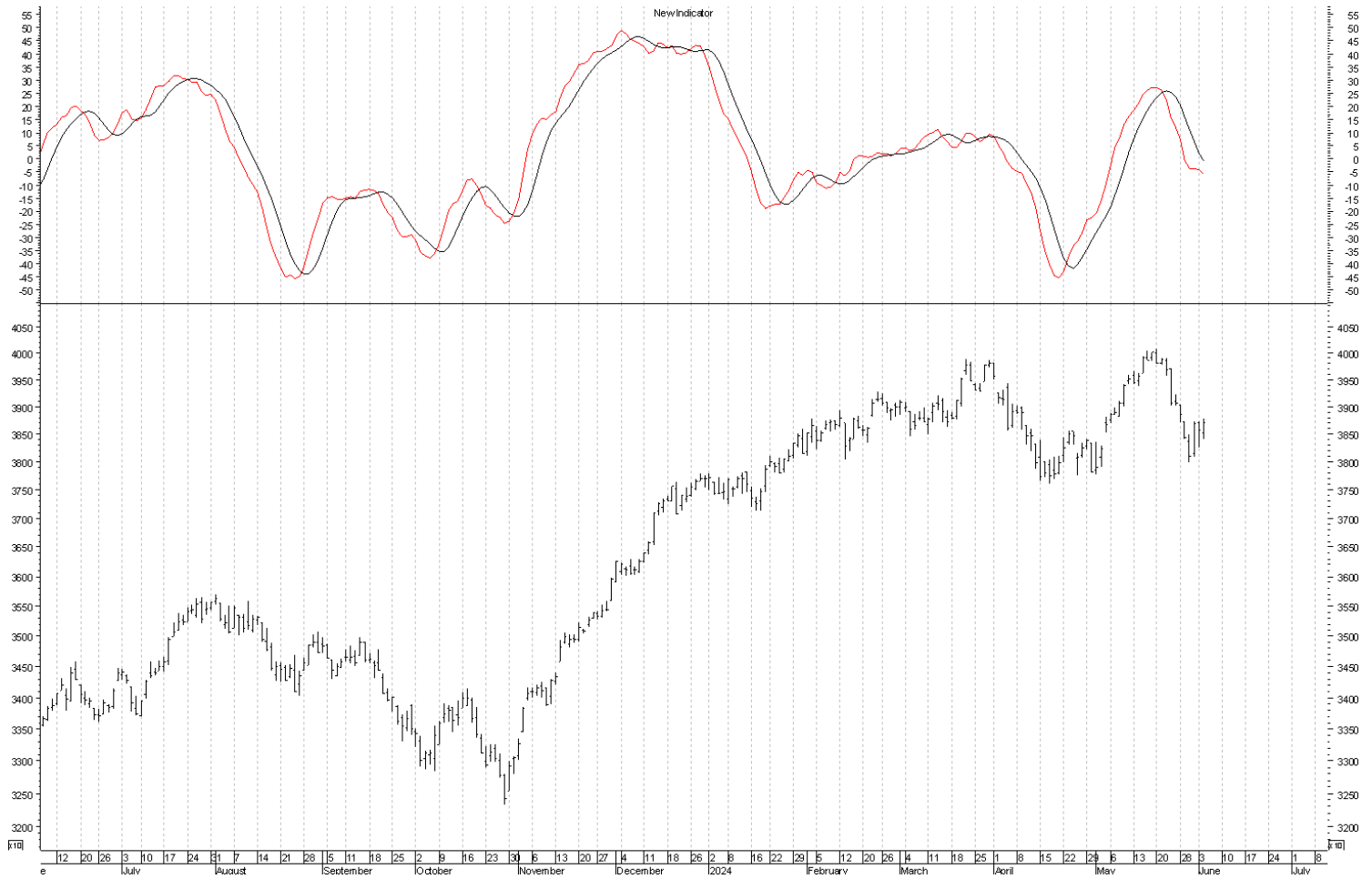




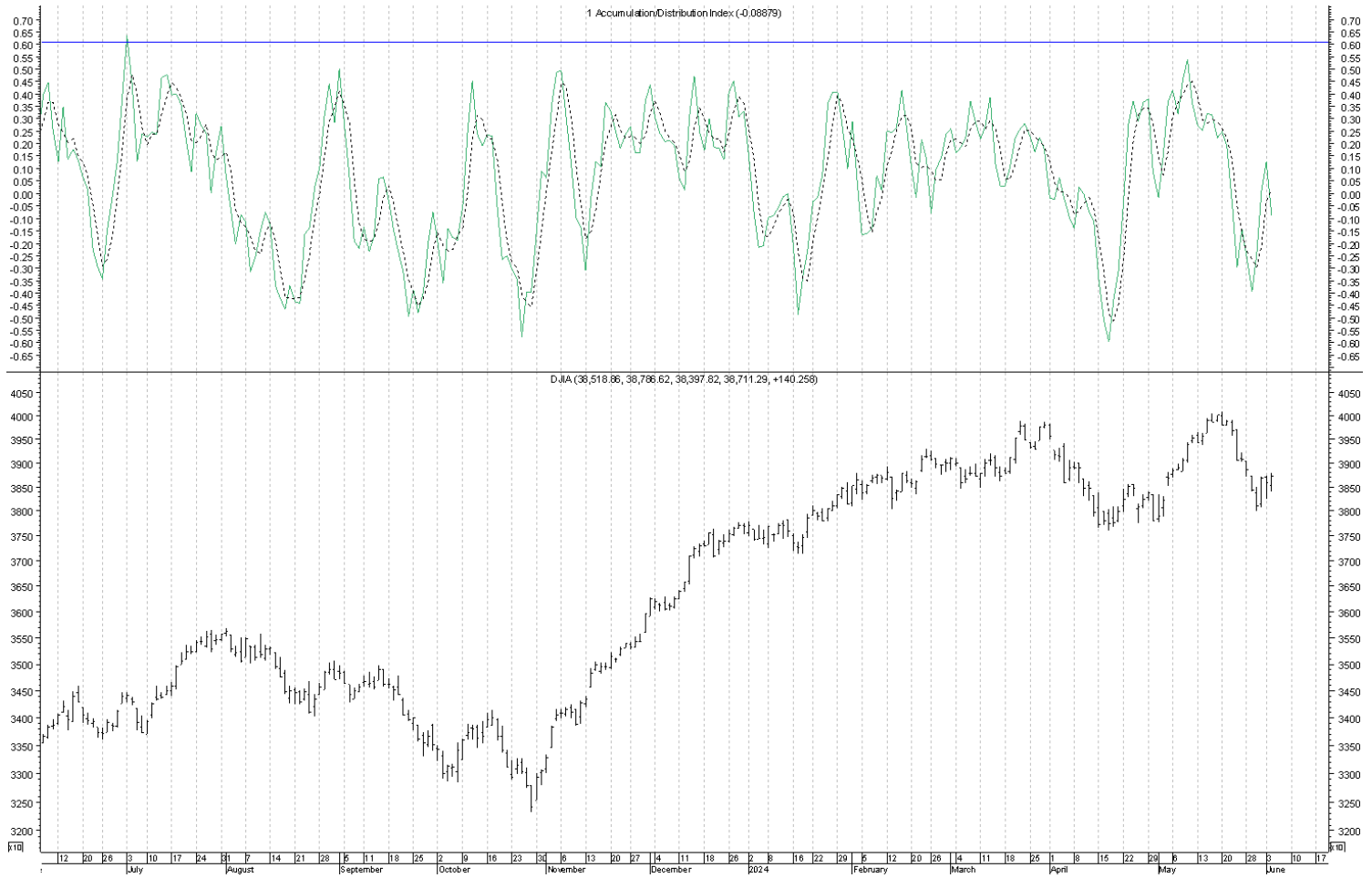
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** remain negative and upturns here will also be further reflective of the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window has turned back down, but remains above its trigger line, which makes it still positive as we use it and overall, this upturn continues to be 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** has turned back down, but I continue to think that the upturn from last week is likely in conjunction with the trading cycle low. Any additional advance that turns this indicator back above its recent high should serve as confirmation of the suspected trading cycle low. Failure to see the triggering of a short-term buy signal in association with the May 30th daily swing low 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.



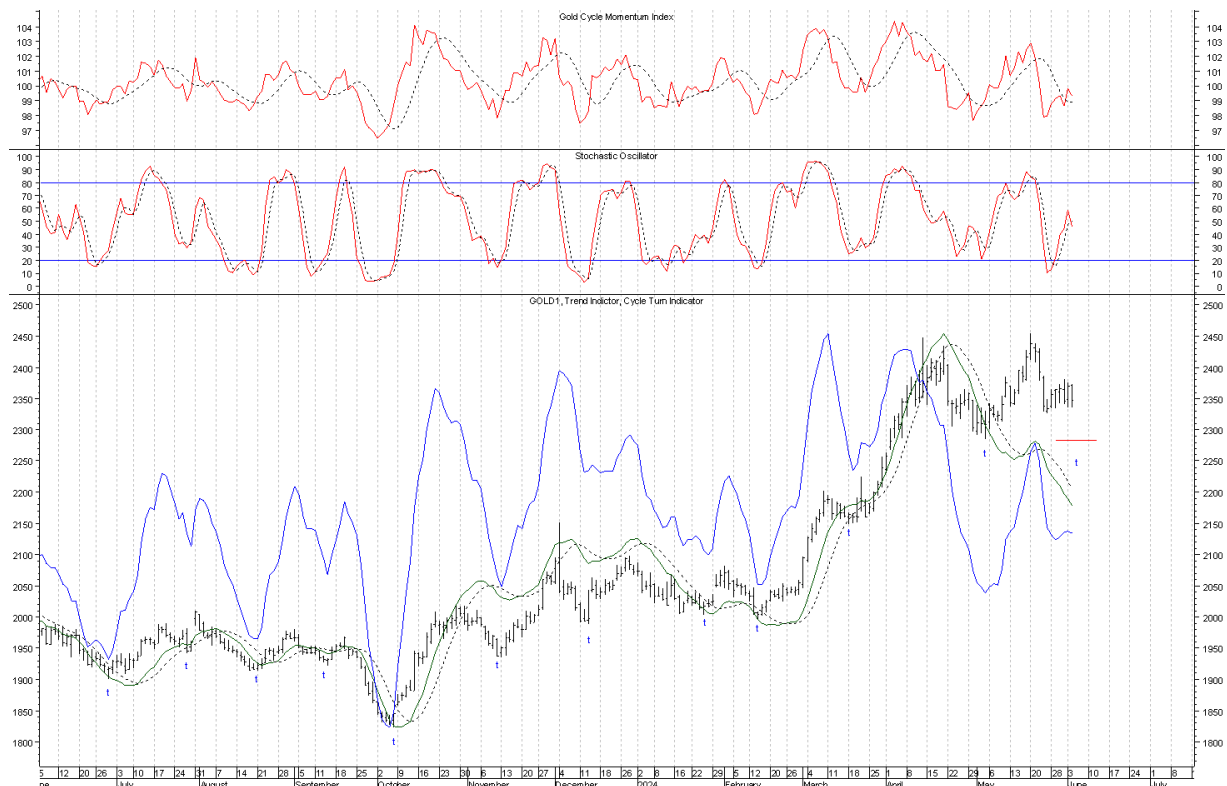
## Gold

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

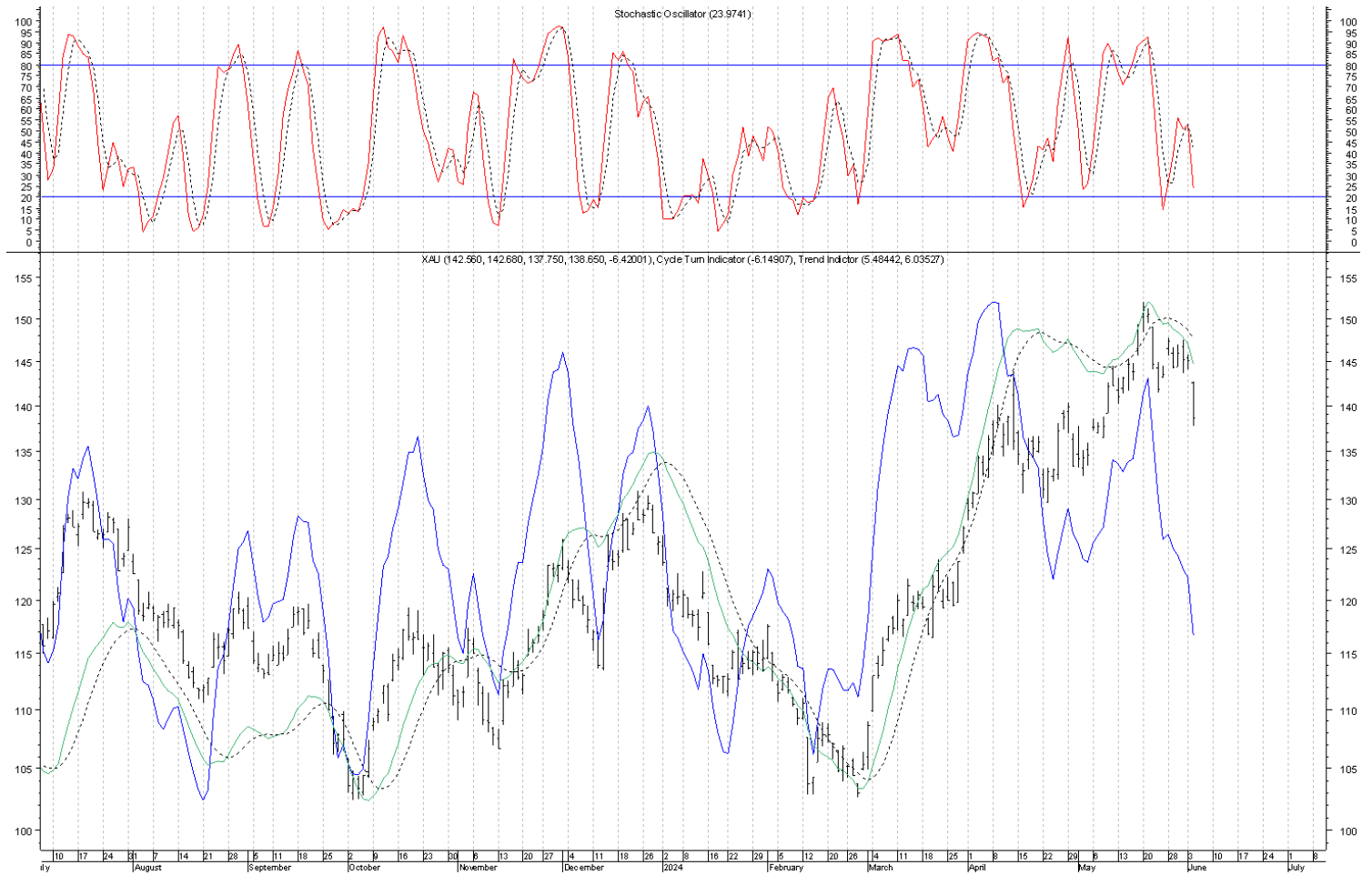
Daily Indicator Summary <b>Short-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bearish

The trading cycle low was seen on May 3rd and the timing band for the 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 left Gold positioned for such move. The price action on Monday completed the formation of a daily swing high and on Tuesday the daily CTI turned down triggering a short-term sell signal and again, this low should ideally still lie ahead with one more push down. 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. Another daily swing low will be completed on Wednesday if 2,334.80 holds and if 2,375.50 is bettered.



**Our daily chart of the XAU is next. On Friday the XAU completed the formation of another daily swing high, leaving it positioned to continue lower in association with the previously triggered short-term sell signal and decline out of the trading and what should ideally be the higher degree intermediate-term cycle top. Monday was an inside day and on Tuesday the decline continued. With this decline now having completed the formation of a weekly swing high, every indication is that the intermediate-term cycle top has likely been seen. Another daily swing low will be completed on Wednesday if 137.75 holds and if 142.68 is bettered.**



## Dollar

### End of Week Intermediate-Term Indicator Summary **Intermediate-Term Sell**

#### Primary Indicators

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

#### Confirming Indicators

Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish

#### Secondary Indicators

5 3 3 Stochastic	Bearish
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### Daily Indicator Summary **Short-Term Sell**

#### Primary Indicators

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

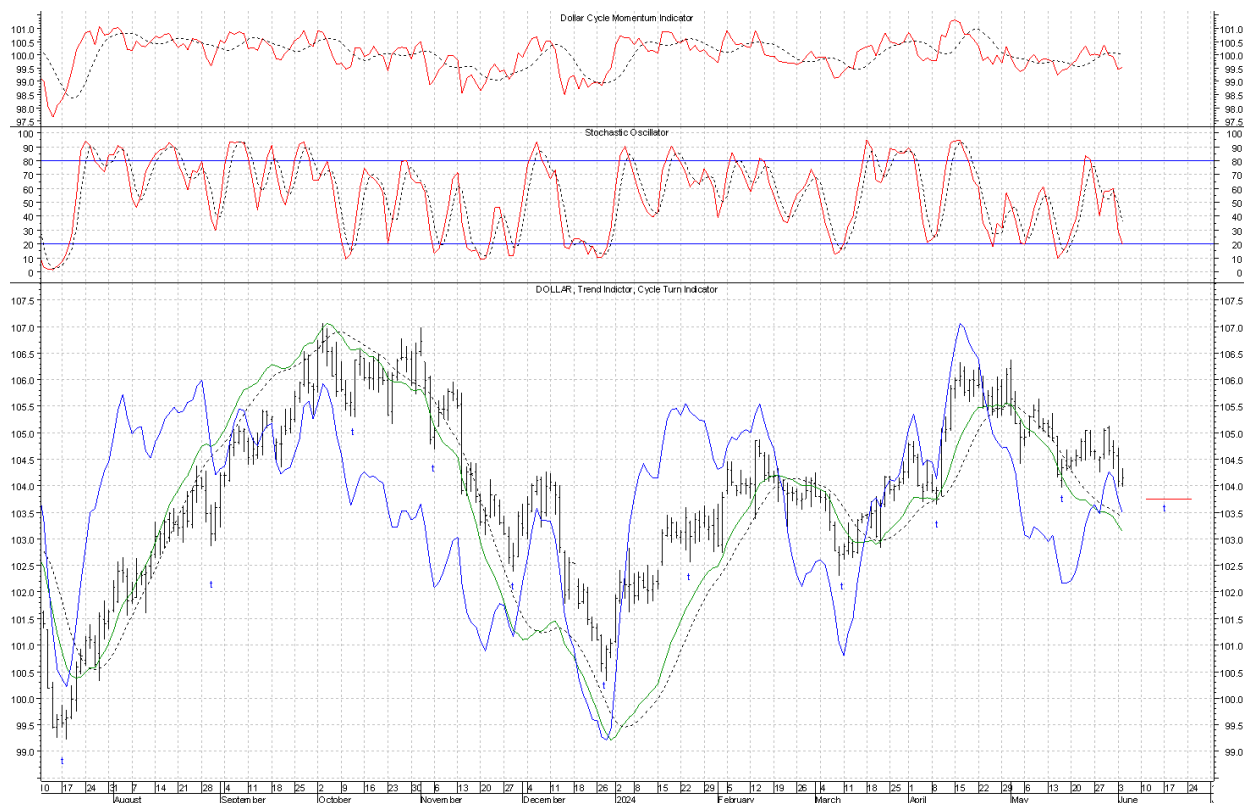
#### Confirming Indicators

Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish

#### Secondary Indicators

5 3 3 Stochastic	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. 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. That sell signal remains intact and the trading cycle low should ideally still lie ahead. But, with the higher degree intermediate-term cycle low also due, it is possible that this trading cycle could be short. Once a short-term buy signal is triggered, we can further assess the trading cycle low. A daily swing low will be completed on Wednesday if 103.99 holds and if 104.72 is bettered. If the advance out of the pending trading cycle low completes the formation of a weekly swing low, the intermediate-term cycle low should be in place.

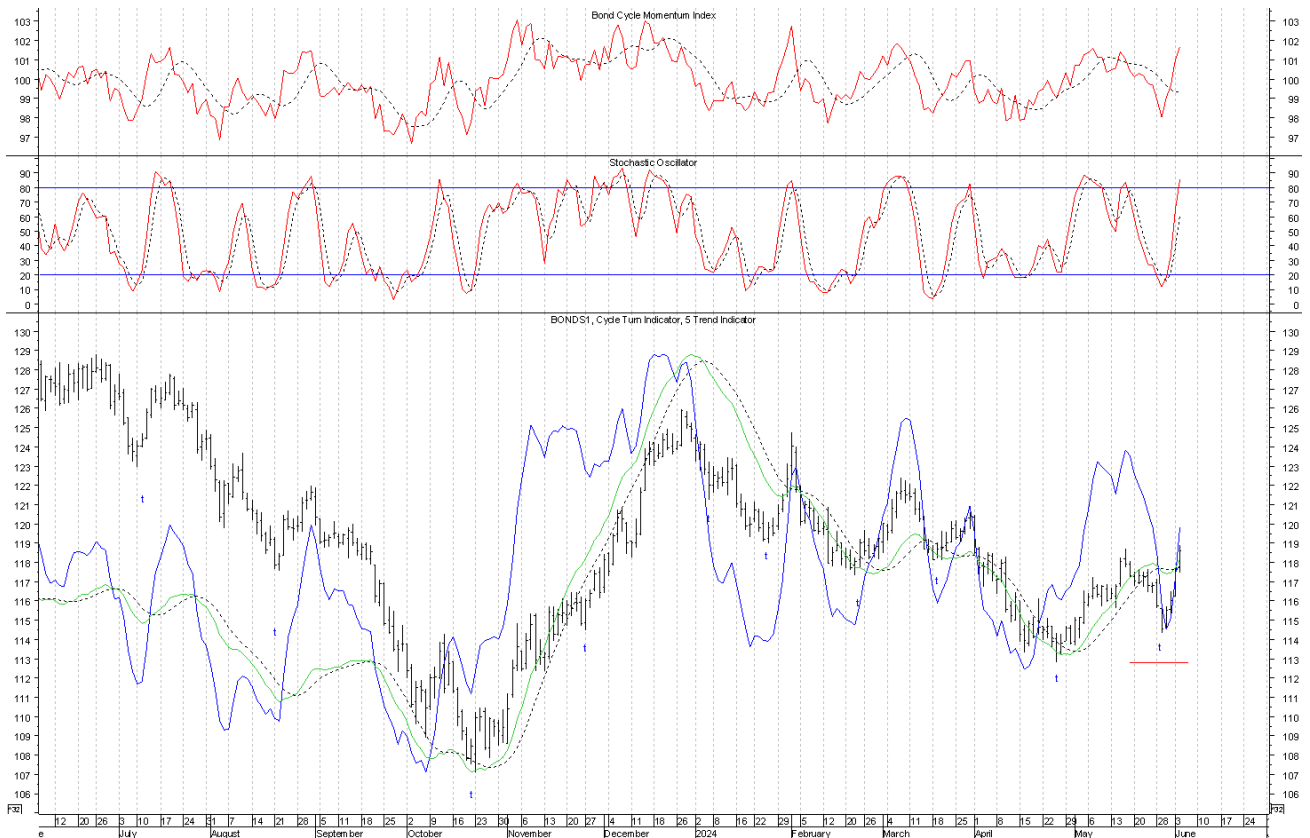


## Bonds

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

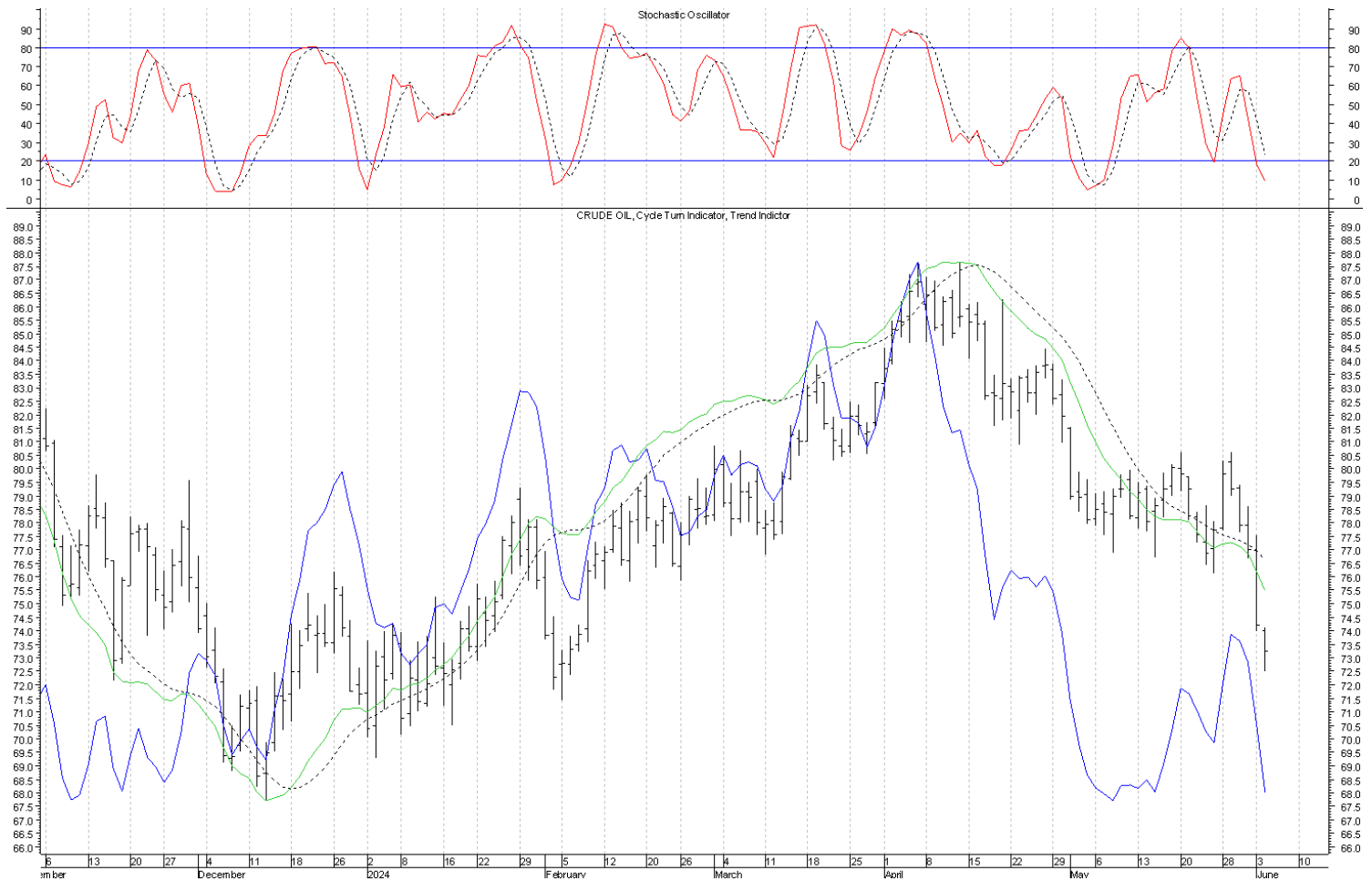
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bullish

The timing band for the current trading cycle low runs between May 17th and June 6th. As discussed in the weekend update, this low was seen in conjunction with the May 29th daily swing low and the May 31st triggering of a short-term buy signal. At a higher level, every indication has been 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 and with the completion of a weekly swing low and re-triggering of an intermediate-term buy signal this week, this has certainly proven correct. This short-term buy signal will remain in tact until another daily swing high and downturn of the daily **CTI** are seen.



## Crude Oil

With the violation of the May 24th daily swing low, the advance out of that low has certainly proven to have been counter-trend, as was expected. Now, with the 5 3 3 Stochastic having moved to oversold levels, conditions have again ripened for a bounce, but 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 Wednesday if 72.48 holds and if 74.13 is bettered. At a higher level, every indication is that the higher degree seasonal and 3-year cycle tops have been seen. Therefore, the advance out of the next trading and even the next higher degree intermediate-term cycle low should be counter-trend.



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[timwood1@cyclesman.com](mailto:timwood1@cyclesman.com)