

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 18, 2024

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

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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 18, 2024

**Stocks**

<b>End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
CTI on Rydex Tempest Fund *	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Advance/Decline Issues Diff	Bearish
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 Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Slow Cycle Turn Indicator (CTI)	Bullish
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	Bullish
Momentum Indicator	Bullish
Ratio Adjusted McClellan Oscillator Crossover	Bullish
Accumulation/Distribution Index	Bullish

The trading cycle low on the Industrials was seen on May 30th and the timing band for the next trading cycle low runs between July 10th and July 30th. Tuesday concluded the 13th trading day since the May 30th trading cycle low. With the completion of a daily swing low on Monday and the price action on Tuesday turning ALL Three of the Primary Short-Term Indicators into gear to the upside, another short-term buy signal was triggered. While we now have a short-term buy signal in place and the oscillator picture has indeed improved, the Industrials remain weak relative to the S&P, the NDX and the SOX. Also, in spite of the improved price/oscillator picture, the risk of a left-translated trading cycle cannot yet be discounted. Structurally, the Industrials have to continue to hold above the May 30th trading cycle low and this trading cycle advance must continue higher with a right-translated structure. Failure to do so will be suggestive of a higher degree left-translated intermediate-term cycle top. Accordingly, the advance out of the May 30th trading cycle low remains key. For now, Tuesday's short-term buy signal will remain intact until another daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen. At a higher

level, 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 trading and intermediate-term cycle top fail to be mended in conjunction with the current trading cycle advance, then every thing changes in that such failure will be suggestive of a setting up of the CheckMate Chart more akin with the 2000 top, in which the Industrials peaked prior to the initiation of the rate cutting cycle, rather than with the 2007 and 2020 tops, in which case the initiation of the rate cutting cycle fueled Equities into one final push higher. More on this as it develops.

The short-term buy signal in association with the June 4th daily swing low in Crude Oil remains intact. Last week's completion of a daily swing low was suggestive of the intermediate-term cycle low having also been seen in conjunction with the June 4th trading cycle low and with the continued advance this week turning the weekly CTI up, an intermediate-term buy signal has been triggered. Based on the evidence of the higher degree cycle top, the expectation is for this intermediate-term cycle advance to be counter-trend.

The advance out of the June 4th trading cycle low on Gasoline also remains intact and with the completion of a weekly swing low, every indication is that we also have the intermediate-term cycle low in place here as well. As with Crude Oil, the expectation is for this advance to be counter-trend.

Natural Gas completed the formation of a daily swing high on Tuesday, but the short-term sell signal remains intact. Any further advance that turns the daily CTI up will trigger a short-term buy signal here as well. The CRB Index completed the formation of a daily swing low on Tuesday and with the upturn of the daily CTI, another short-term buy signal was triggered. Any further advance that completes the formation of a weekly swing low will leave the CRB positioned for yet another retest of/ending push into the intermediate-term top. Thus far, all of the price action since June 7th in Gold remains within the June 7th price bar and for that reason the phasing of this trading cycle remains unclear, but I am finding myself leaning toward this low having been seen on June 7th. Within the context of the June 7th price range, the June 14th short-term buy signal remains intact.

The XAU triggered a short-term buy signal on Tuesday. As with Gold, the phasing of the trading cycle has been unclear, but the evidence continues to favor this low having been seen in conjunction with the May 23rd daily swing low, which would in turn correspond with what should have been a May 24th trading cycle low in Gold. Regardless of the phasing of this cycle, Tuesday's short-term buy signal will remain intact until another daily swing high and downturn of the daily CTI are seen.

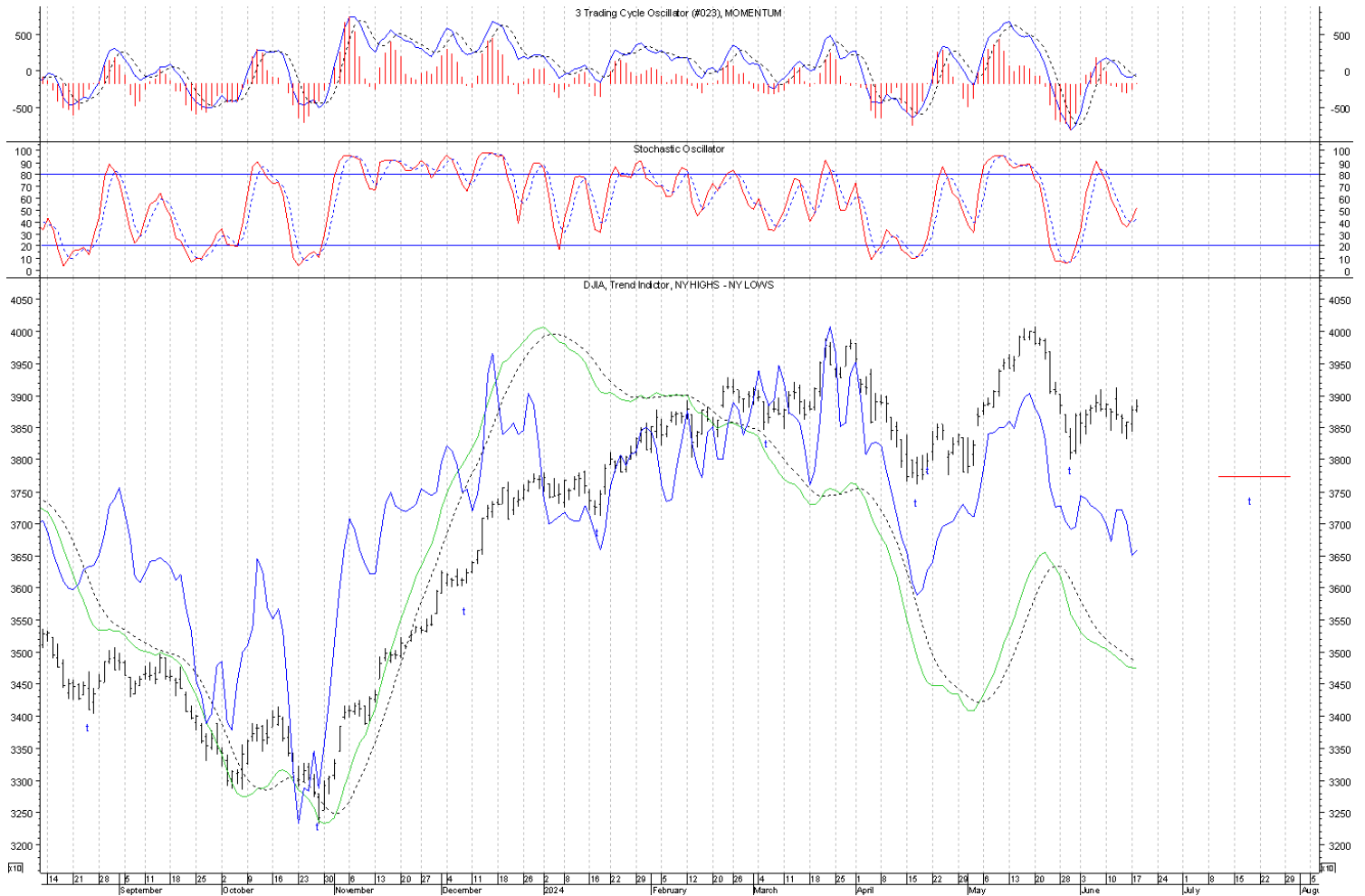
The Dollar completed the formation of a daily swing high on Tuesday and with the downturn of the daily CTI, a short-term sell signal was triggered, leaving the Dollar once again at risk of a left-translated trading cycle top.

The short-term buy signal and trading cycle advance on the long-Bond remains intact. While the timing band for the trading cycle low is now approaching, I would ideally still like to see continued strength into the now pending trading cycle top.

The Intermediate-Term Advancing Issues Line, plotted in red, has turned back up. As evidence this trading cycle advance is gaining traction, we need to see any continued advance accompanied by a bettering of this indicator above its June 13th high. The Green MA continues its upturn above the Black MA, which is reflective of the intermediate-term cycle low.

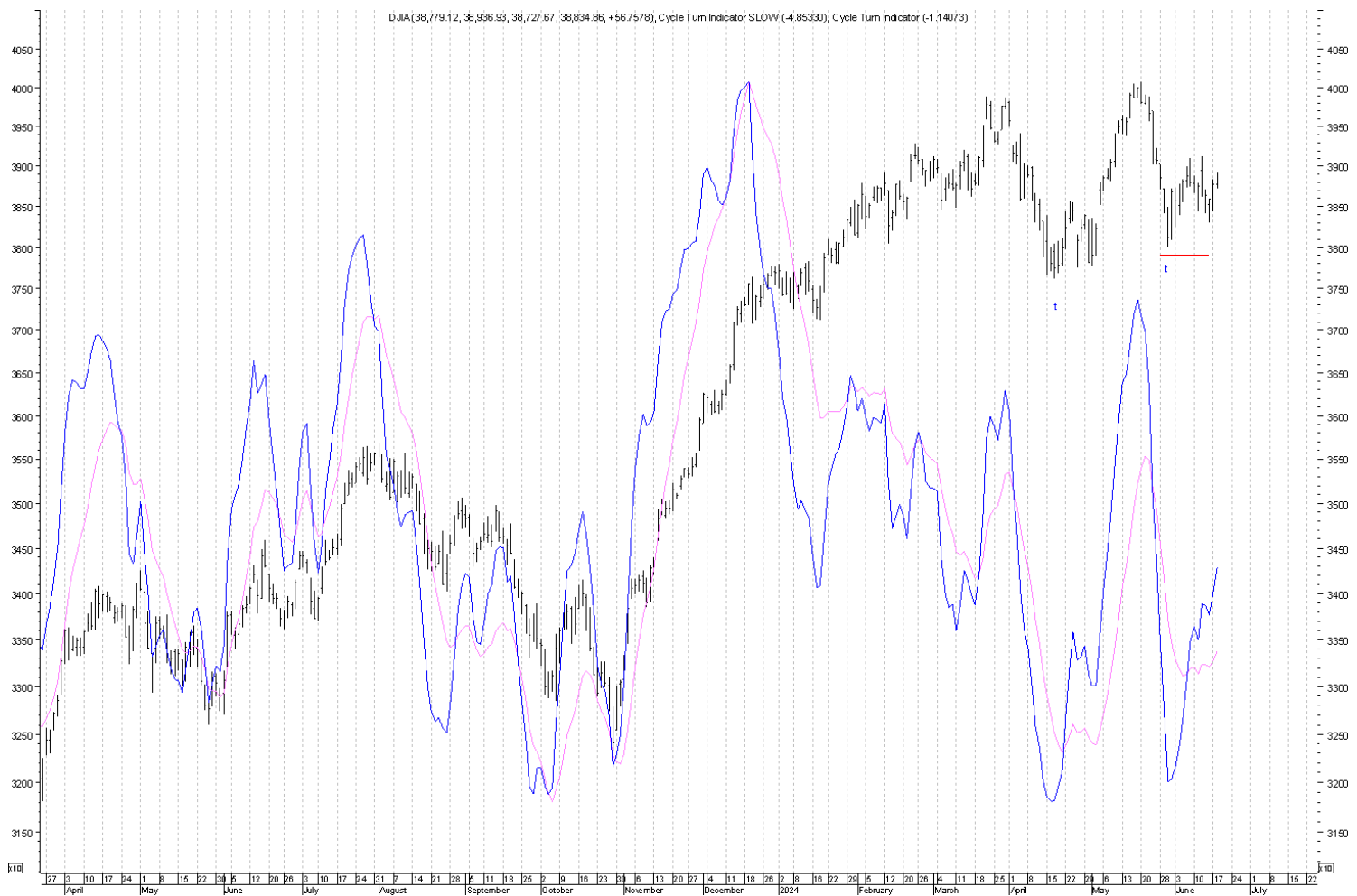


The **Trading Cycle Oscillator** in the upper window has turned back up as has the **Momentum Indicator**, which has crossed marginally back above its zero line. The **5 3 3 Stochastic** in the middle window also continues its downturn from overbought levels. The **New High/New Low Differential**, plotted with price, ticked up on Tuesday as well. 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.

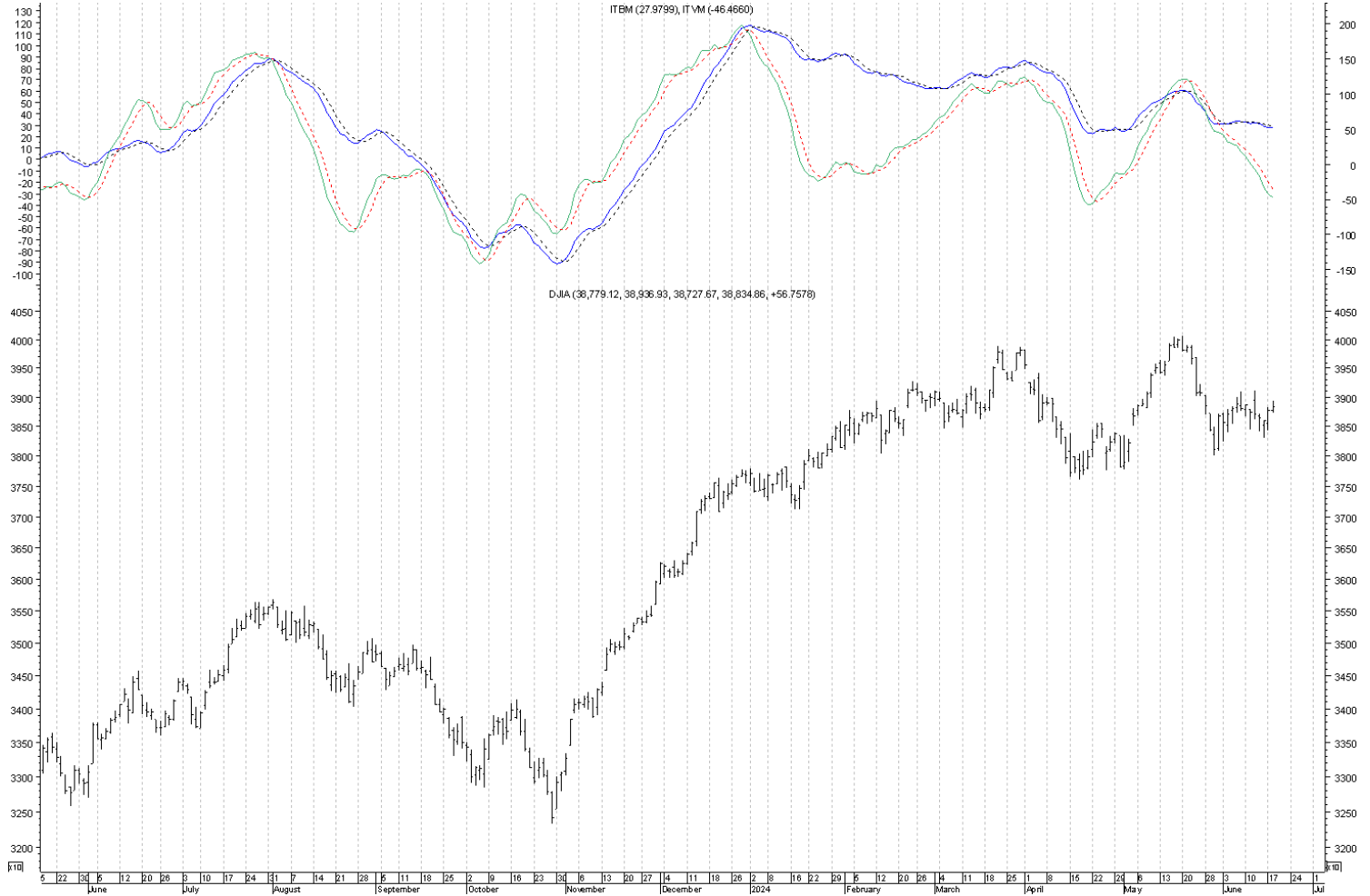


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

As explained here last Thursday night, on Wednesday, June 12th, a questionable short-term buy signal was triggered. As confirmation of this signal I wanted to see a close above the June 12th high, which we have not yet seen. But, now with the price action on Monday completing the formation of another daily swing low and with the price action on Tuesday turning ALL Three of the Primary Short-Term Indicators up, another short-term buy signal was triggered. This buy signal was much more convincing than the June 12th short-term buy signal, but because of the relative weakness we have seen on the Industrials, I am still somewhat skeptical of this signal. That said, this was a legitimate signal and it will remain intact until another daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen.

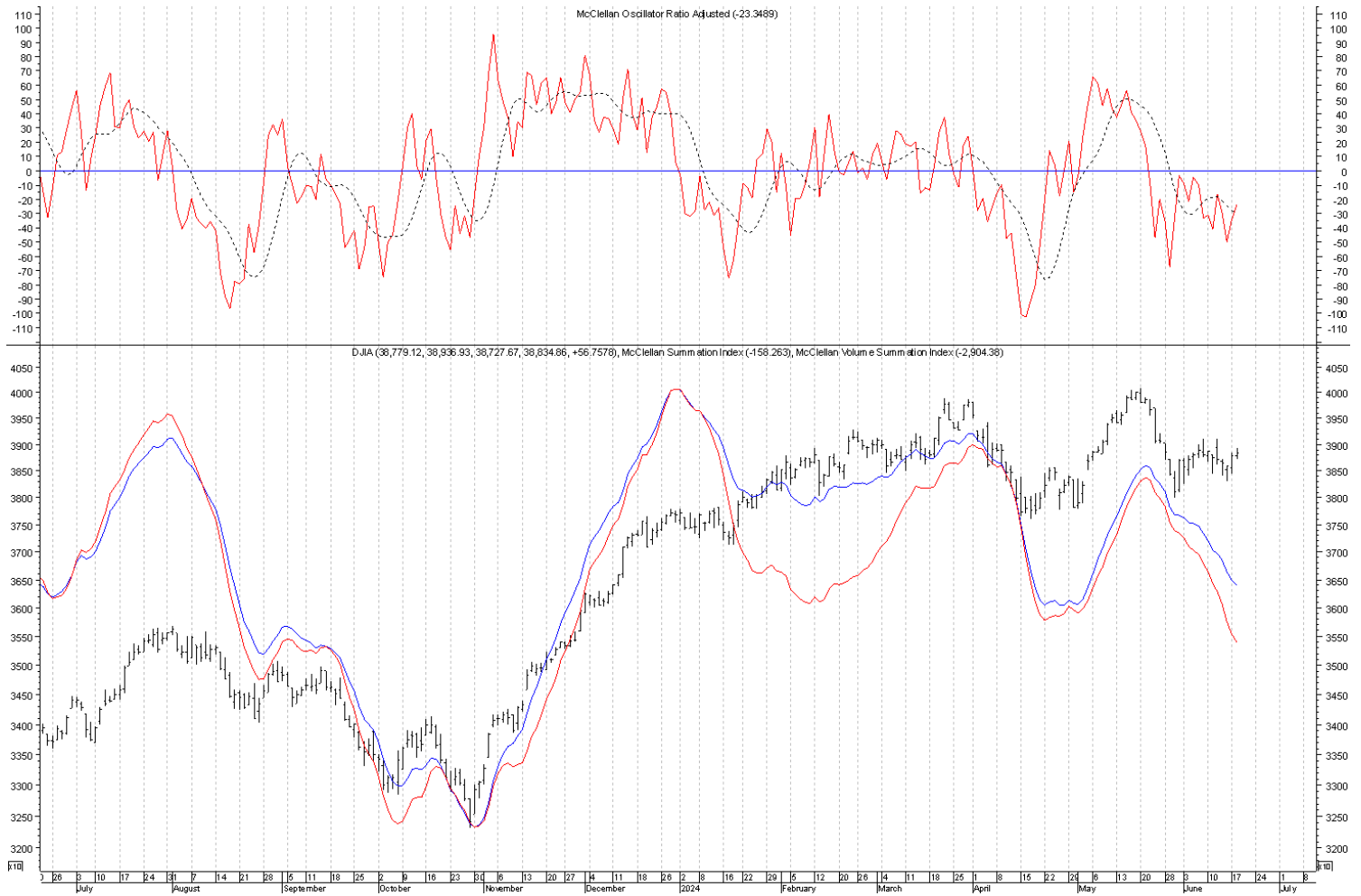


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** remain in gear to the downside. Again, upturns here are needed as evidence that this trading cycle advance is gaining traction.

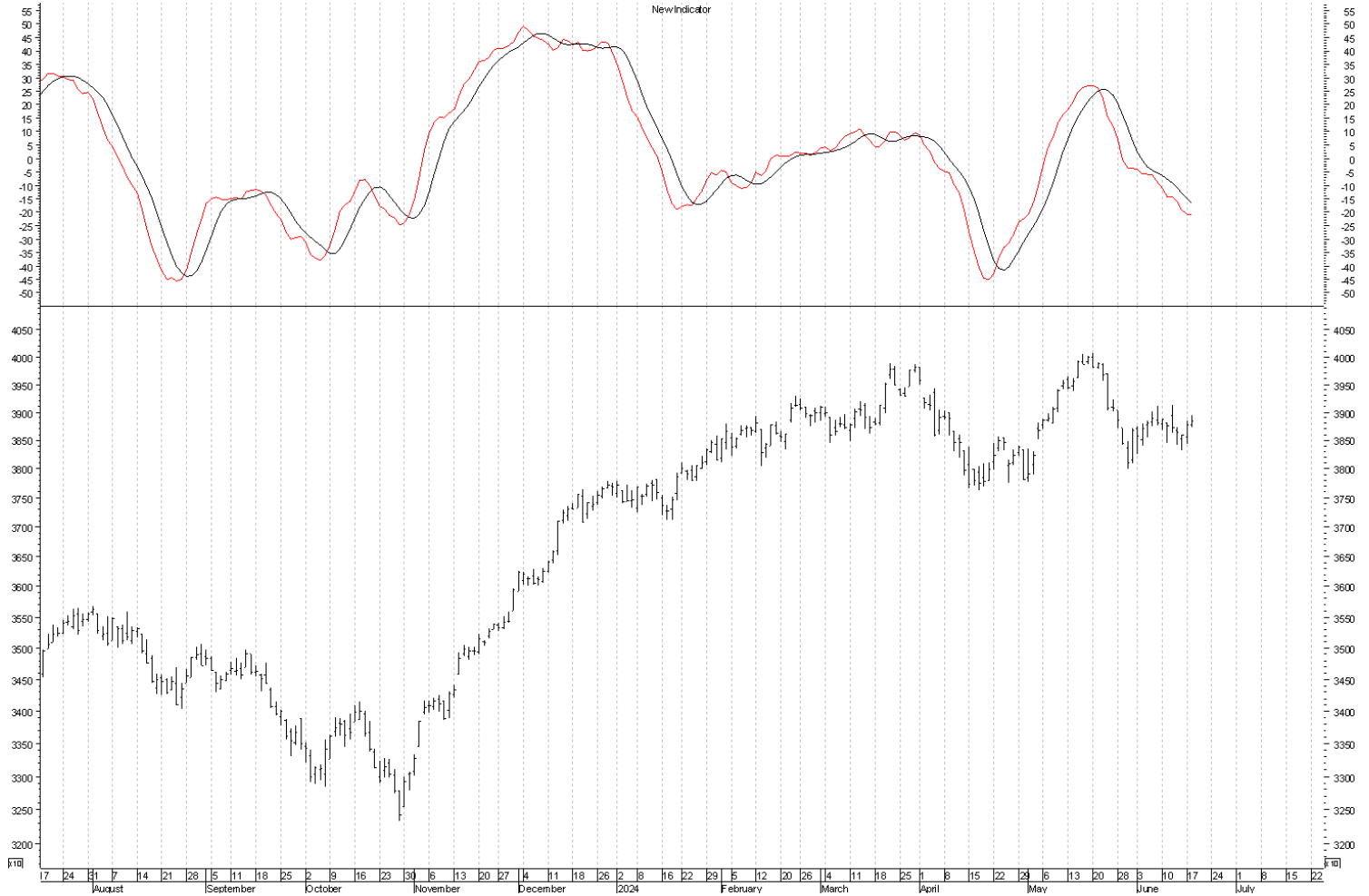




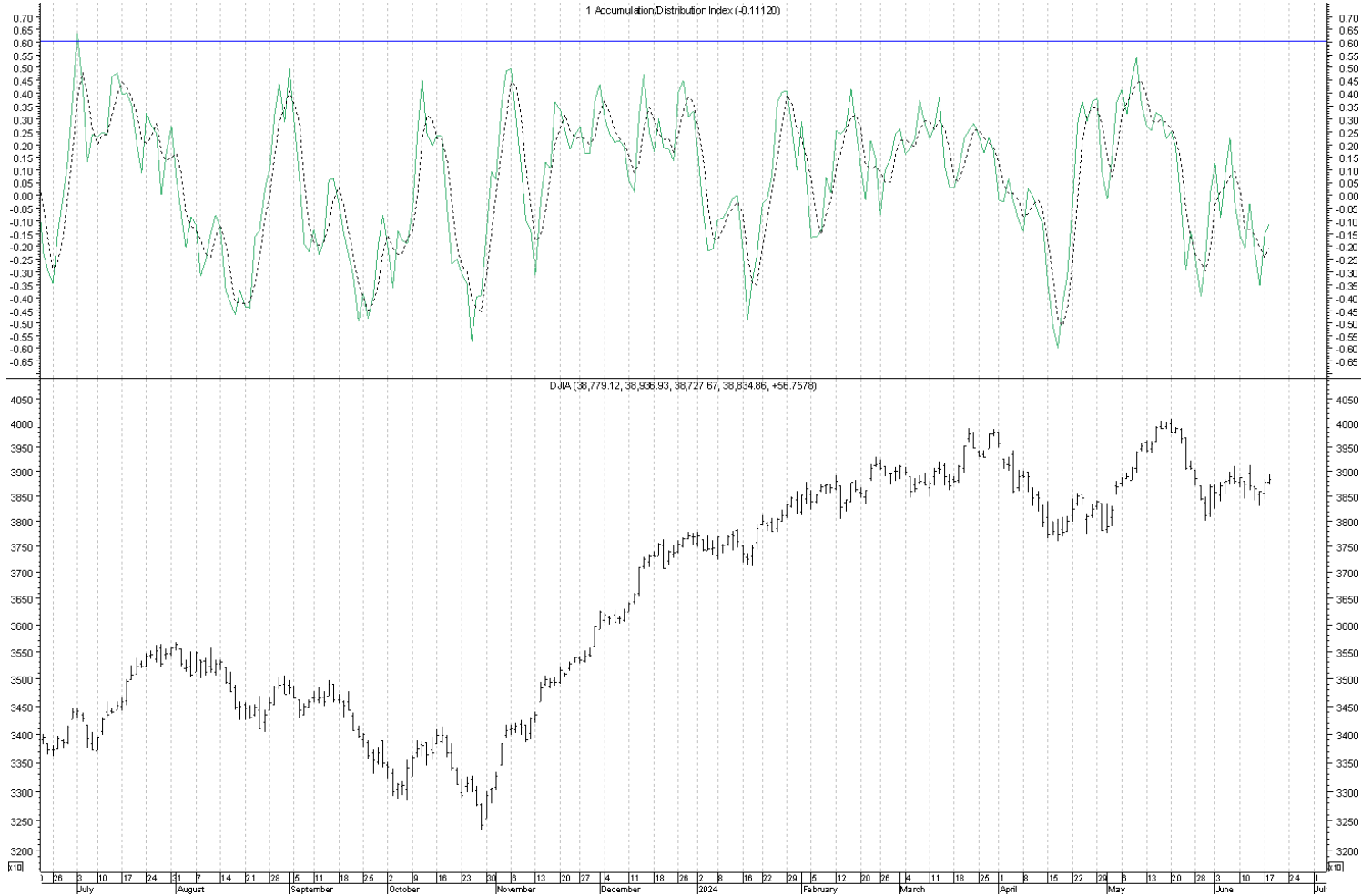
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also remain negative. Upturns here will also serve as additional confirmation of the short-term buy signal and advance out of the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window turned back above its trigger line, which in doing so is confirming the short-term buy signal, but as additional confirmation I would like to also see a bettering of the zero line.



**No change here. The smoothed McClellan oscillator remains below its trigger line. Here too, a crossing back above the trigger line in conjunction with Tuesday's triggering of a short-term buy signal would be suggestive of higher prices in association with the advance out of the trading cycle low.**



The upturn of the **Accumulation/Distribution Index** also serves as confirmation of Tuesday's short-term buy signal, but as additional confirmation of the health of this trading cycle advance I would like to see a bettering of the indicator high from two weeks ago.



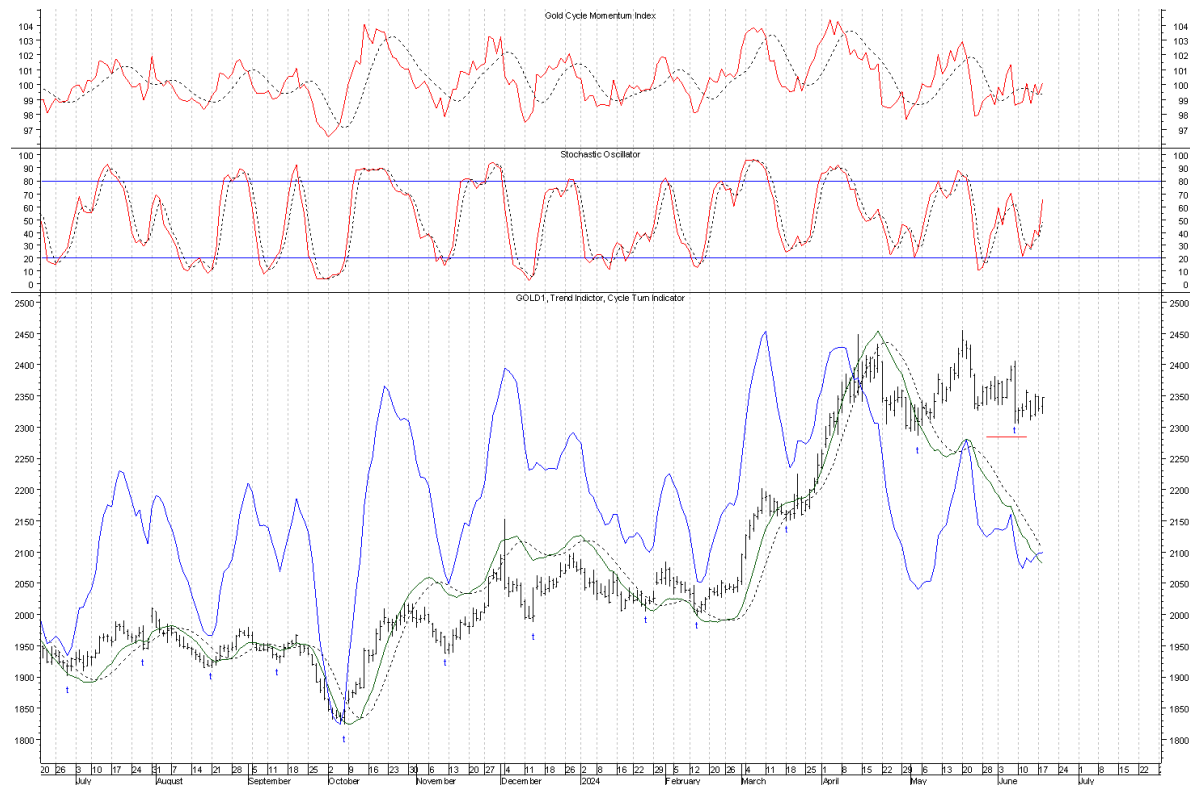
## Gold

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	Bearish
<b>Secondary Indicators</b>	
5 3 3 Stochastic	Bearish

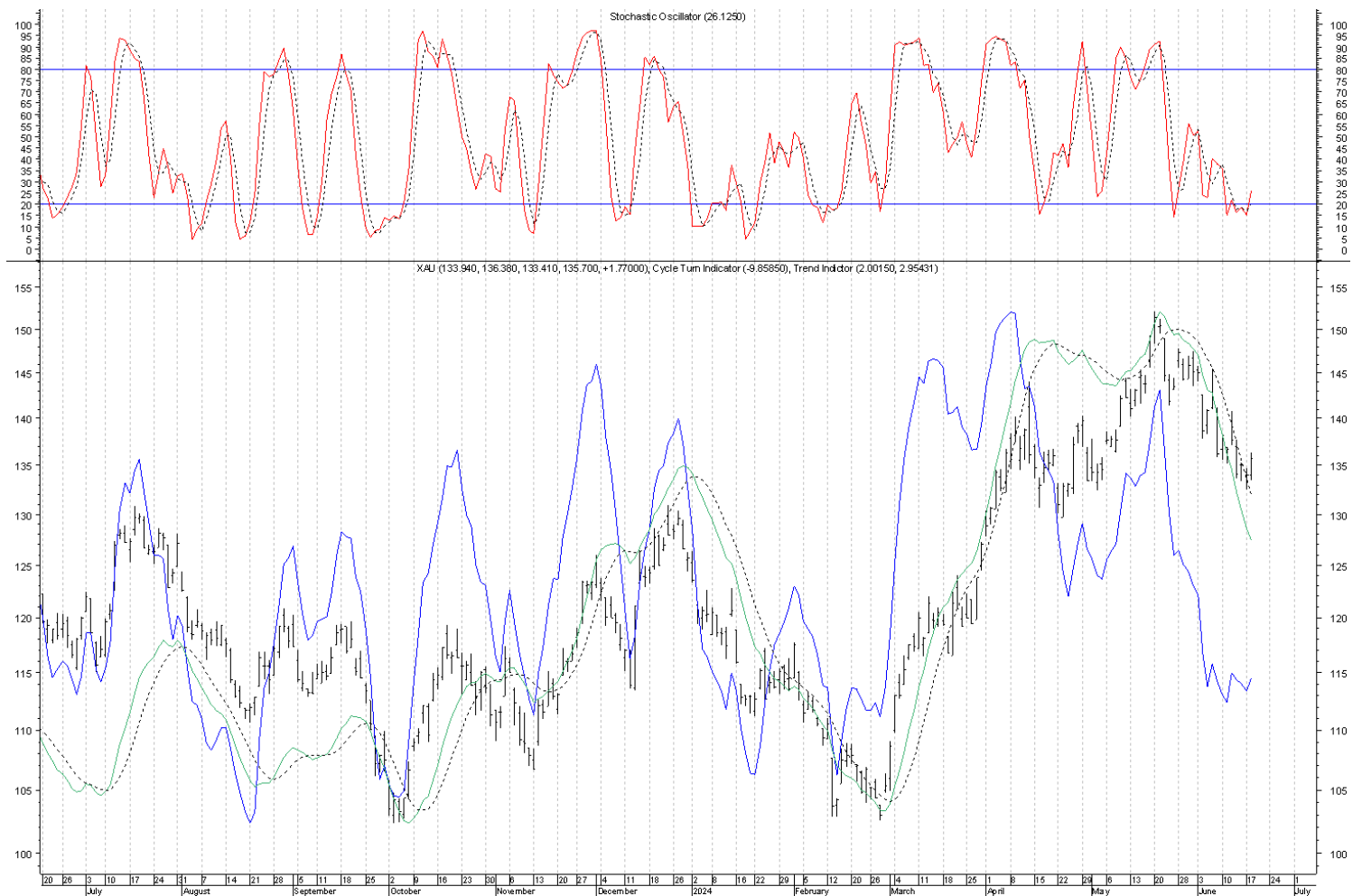
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bullish

The timing band for the current trading cycle low ran between May 29th and June 12th. Originally, it looked as if this low was seen early in association with the May 24th daily swing low, but given the price action following the June 7th reversal lower, I tend to think this low was seen on June 7th. All of the price action since June 7th has occurred within the June 7th price bar, but within that context the June 14th short-term buy signal remains intact. Any further advance that carries price above the June 12th daily swing high should serve as confirmation of this phasing. To the contrary, based on this assumed phasing, the completion of a daily swing high and downturn of the daily CTI will retrigger another short-term sell signal leaving Gold at risk of a left-translated trading cycle top. For now, the questionable short-term buy signal in association with the

June 14th daily swing low will remain intact until another daily swing high and downturn of the daily CTI are seen. Within the context of the June 7th price range, another daily swing high will be completed on Wednesday if 2,352.30 is not bettered and if 2,316.70 is violated.



Our daily chart of the XAU is next and with the completion of a daily swing low and upturn of the daily **CTI** on Tuesday, a short-term buy signal was triggered. Here too, the phasing of the trading cycle has been unclear, but the evidence continues to favor this low having been seen in conjunction with the May 23rd daily swing low, which would in turn correspond with what should have been a May 24th trading cycle low in Gold. For now, this short-term buy signal and the accompanying oscillator picture leave the XAU in a position for higher prices and Tuesday's short-term buy signal will remain intact until another daily swing high and downturn of the daily **CTI** are seen. More on the phasing of the trading cycle as it clarifies. Another daily swing high will be completed on Wednesday if 136.38 is not bettered and if 133.41 is violated. Regardless of the phasing of the trading cycle, given the evidence of the higher degree cycle tops, the advance in association with Tuesday's short-term buy signal is expected to be counter-trend.



## Dollar

### 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)	Bullish
Cycle Momentum Indicator	Bullish

#### Secondary Indicators

5 3 3 Stochastic	Bullish
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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

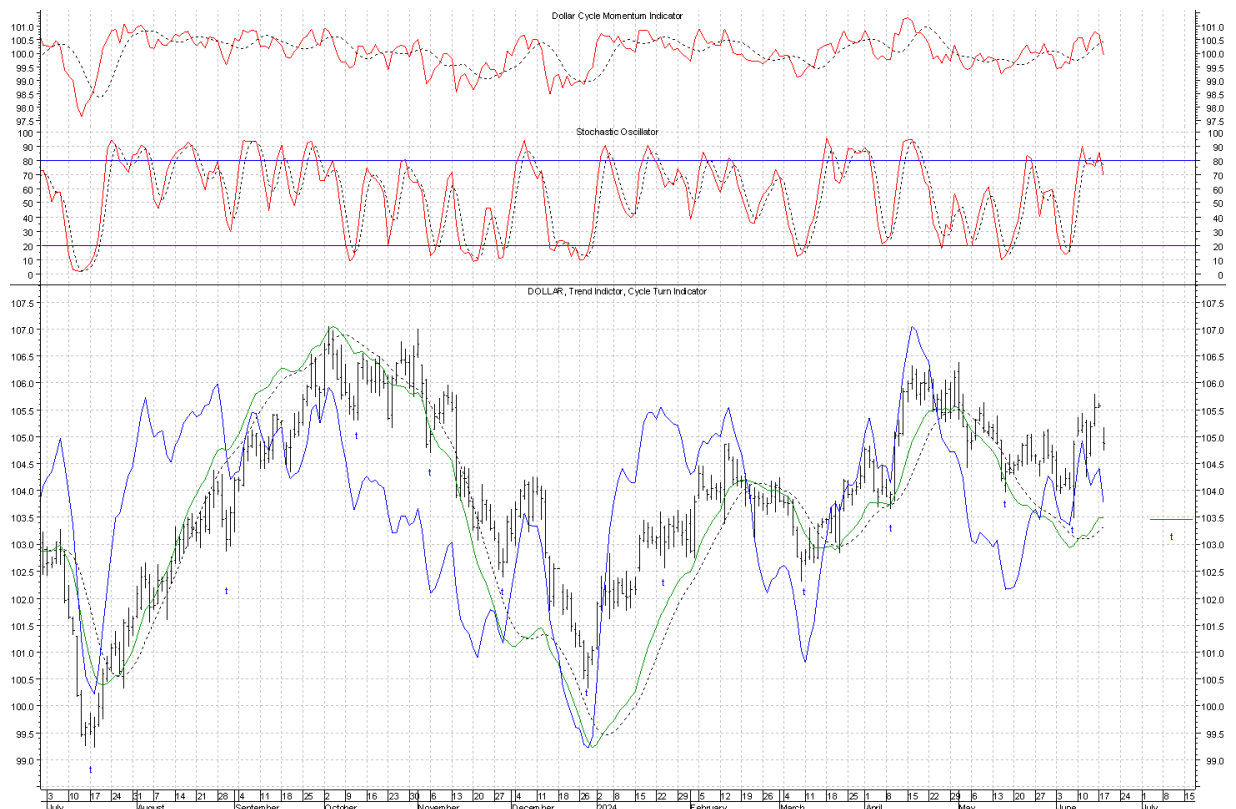
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish

#### Secondary Indicators

5 3 3 Stochastic	Bearish
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The timing band for the current trading cycle low runs between June 11th and June 25th. As we have known, this low proved to have been seen on June 7th. Now, as a result of the completion of a daily swing high and downturn of the daily CTI on Tuesday, a short-term sell signal has been triggered leaving the Dollar at risk of a left-translated trading cycle top. The timing band for the next trading cycle low runs between July 3rd and July 17th. If the decline in association with this short-term sell signal completes the formation of a weekly swing high, it will leave the Dollar at further risk of a left-translated intermediate-term cycle top as well. In order to correct this risk, the current trading cycle advance cannot peak with a left-translated structure. More on this as the decline in association with Tuesday's short-term sell signal develops. For now, this short-term sell signal

will remain intact until another daily swing low and upturn of the daily CTI are seen. A daily swing low will be completed on Wednesday if 104.73 holds and if 105.18 is bettered.

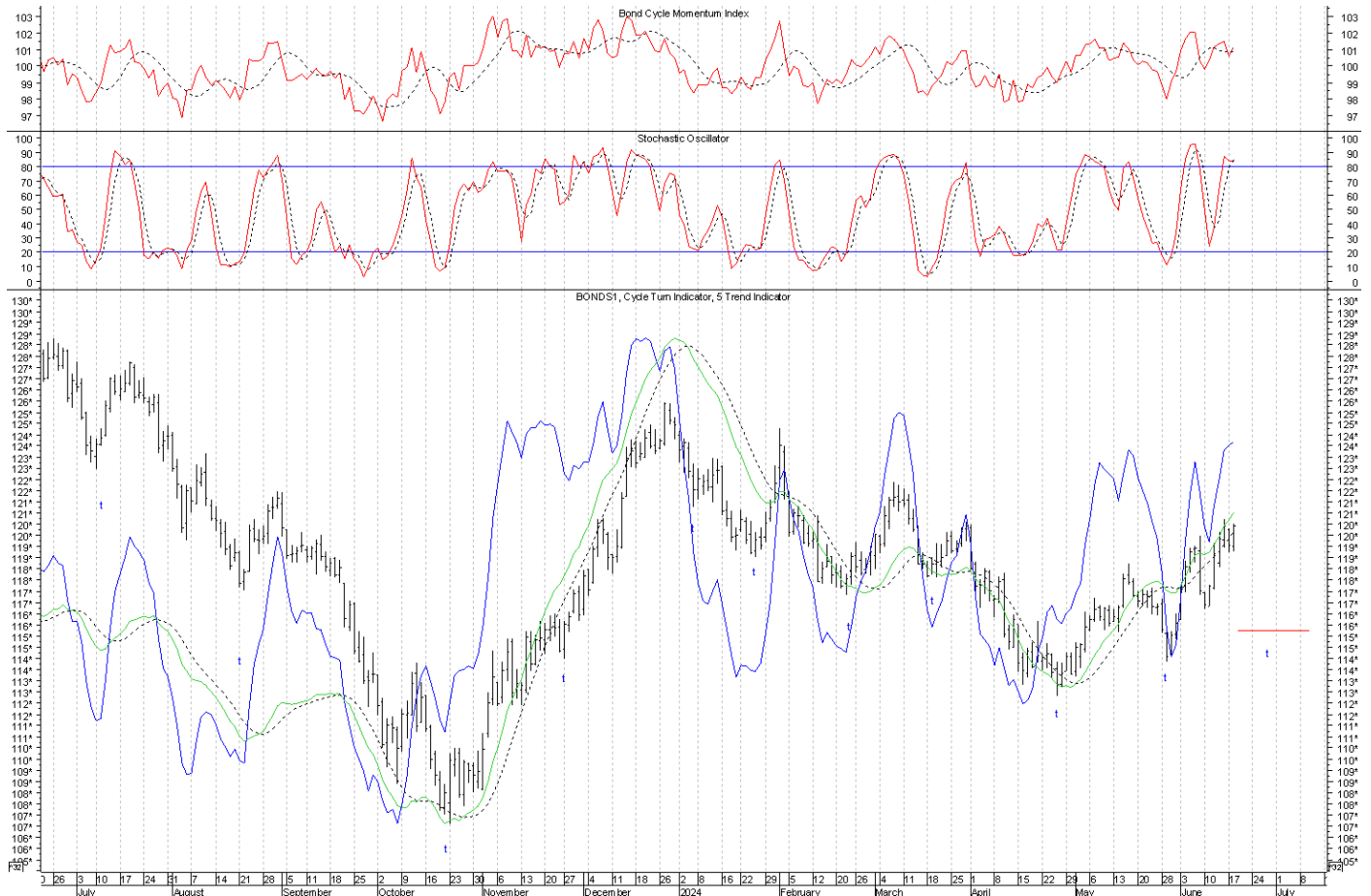


## Bonds

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)	Bullish
Cycle Momentum Indicator	Bullish
<b>Secondary Indicators</b>	
5 3 3 Stochastic	Bullish

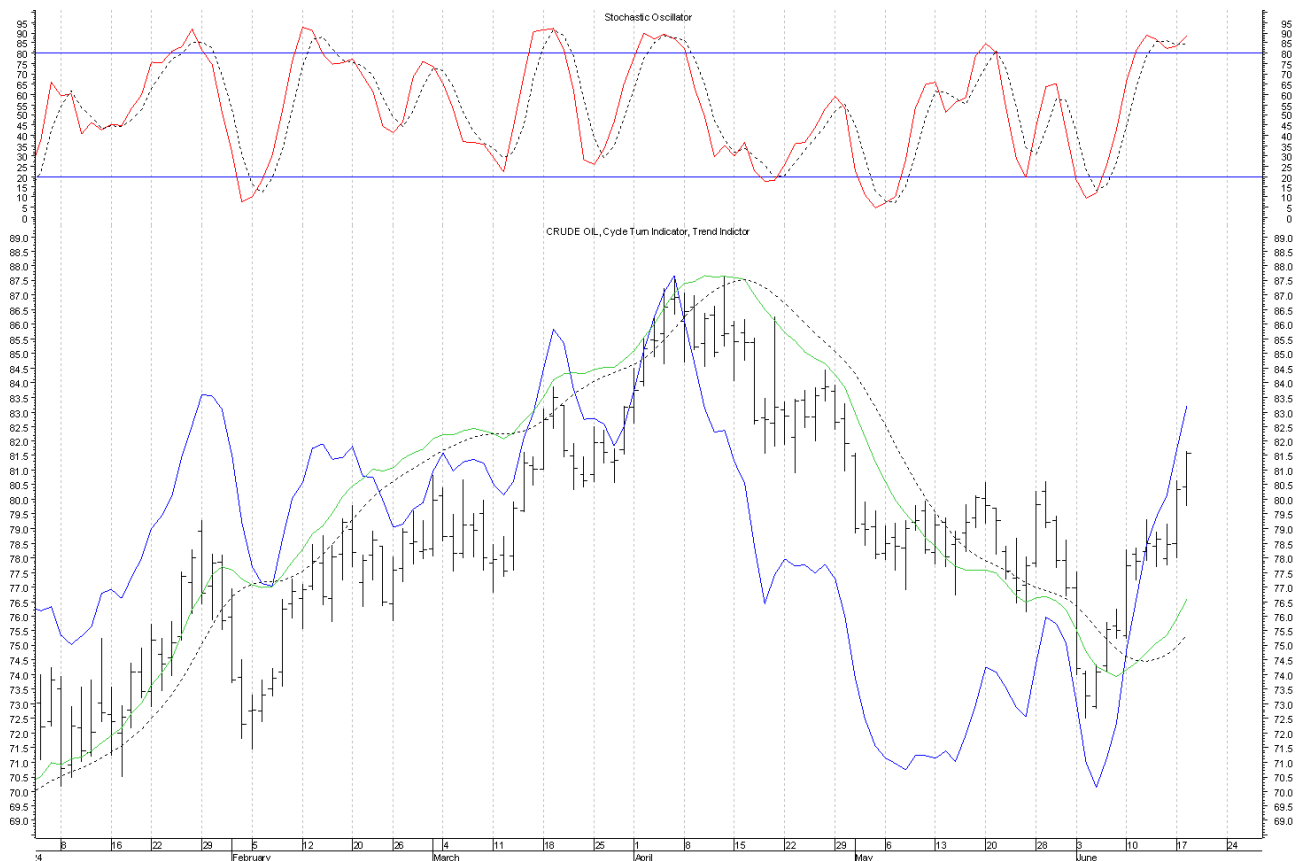
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bearish

The trading cycle low was seen in conjunction with the May 29th daily swing low and the advance into the trading cycle top remains intact. The timing band for the next trading cycle low runs between June 19th and July 10th. With this timing band now upon us, this top should be near, but ideally I would still like to see one more push up before this top is seen and the expectation is for the decline into the next trading cycle low to be counter-trend. This short-term buy signal will remain intact until another daily swing high and downturn of the daily **CTI** are seen.



## Crude Oil

The short-term buy signal in association with the June 4th daily swing low remains intact. With the completion of a daily swing low last week we knew that the price/oscillator picture was suggestive of the intermediate-term cycle low having been seen and with the continued advance this week turning the weekly CTI up, an intermediate-term buy signal has been triggered in association with the higher degree intermediate-term cycle low. At a higher level, every indication is that the higher degree seasonal and 3-year cycle tops have been seen. Therefore, the expectation is for this advance to be counter-trend, even with it proving to be in conjunction with the intermediate-term cycle low. Short-Term, this advance has carried price to overbought levels, per the 5 3 3 Stochastic, but until a daily swing high and downturn of the daily CTI are seen, the buy signal in association with this trading cycle advance will remain intact. The pending trading cycle top will be an opportunity to cap the higher degree intermediate-term cycle top if the decline out of the trading cycle top is accompanied by the completion of a weekly swing high. A daily swing high will be completed on Wednesday if 81.67 is not bettered and if 79.77 is violated.



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