

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 20, 2024

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

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

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

# Short-term Updates

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

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

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

June 20, 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. 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. As discussed in the Tuesday night update, we knew that the oscillator picture had improved and additional strength followed on Thursday. However, the risk of a left-translated trading and intermediate-term cycle top has not yet been eliminated. It is from this buy signal the Industrials have the opportunity to correct this risk and in order to do so, we must see continued strength as we move further toward the timing band for the next trading cycle low and in order to correct the risk of a left-translated intermediate-term cycle top we must see this trading cycle advance carry the Industrials above their May 20th trading cycle top. For now, this 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. While this trading cycle advance has certainly been sketchy, this 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.

No change with Crude Oil. The short-term buy signal in association with the June 4th daily swing low 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. The short-term sell signal on Natural Gas remains intact and with the completion of a weekly swing high this week we should have the intermediate-term cycle top in place, but we still need to see the triggering of an intermediate-term sell signal as evidence the intermediate-term cycle top has been seen.

Tuesday's short-term buy signal on the CRB Index remains intact and 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.

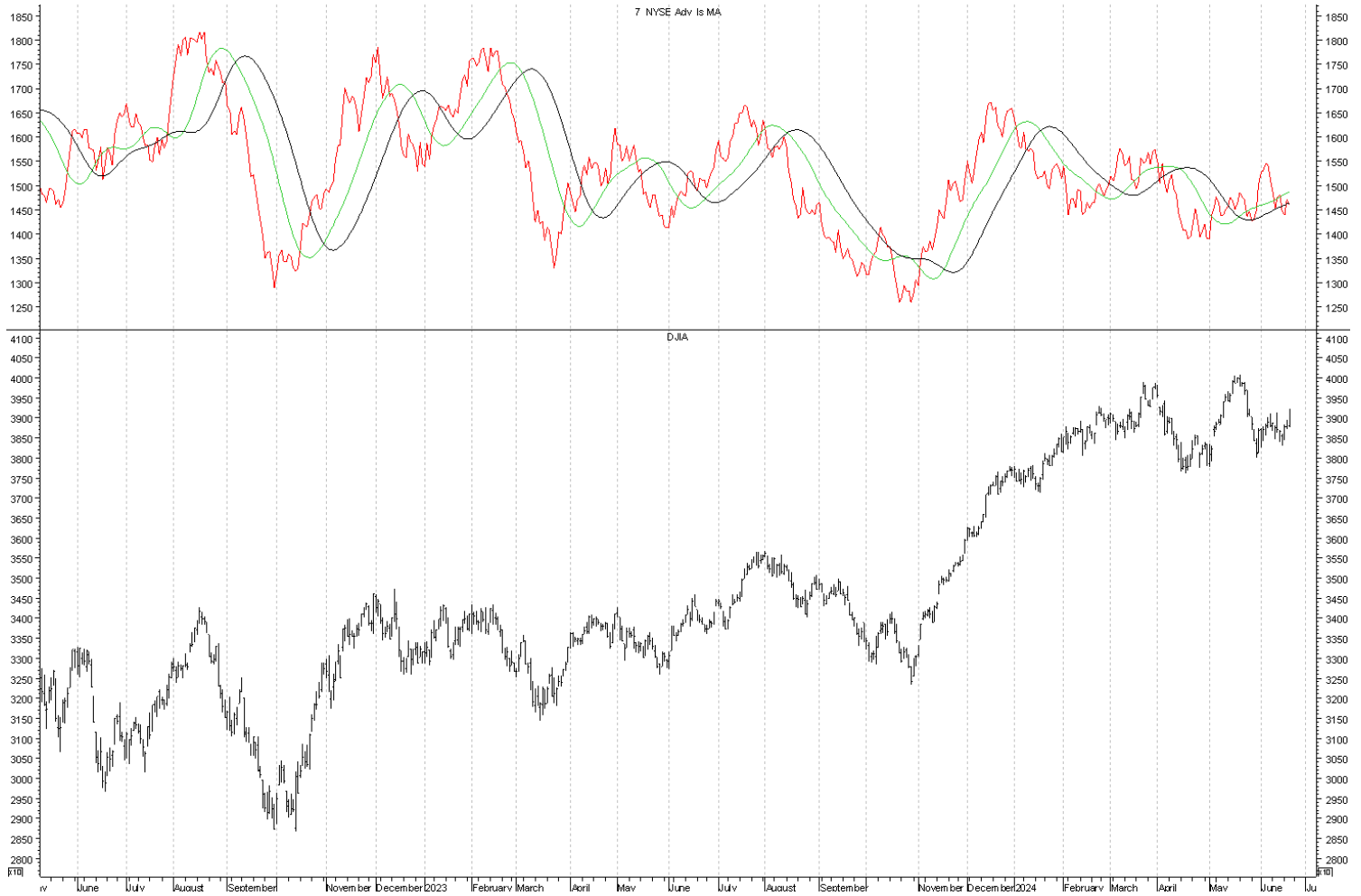
Thus far, all of the price action since June 7th in Gold remains within the June 7th price bar and for that reason the phasing of this trading cycle has been unclear, but given the continued advance on Thursday, the evidence is increasingly suggestive of the trading cycle low having been seen on June 7th.

The XAU triggered a short-term buy signal on Tuesday and more strength followed on Thursday.

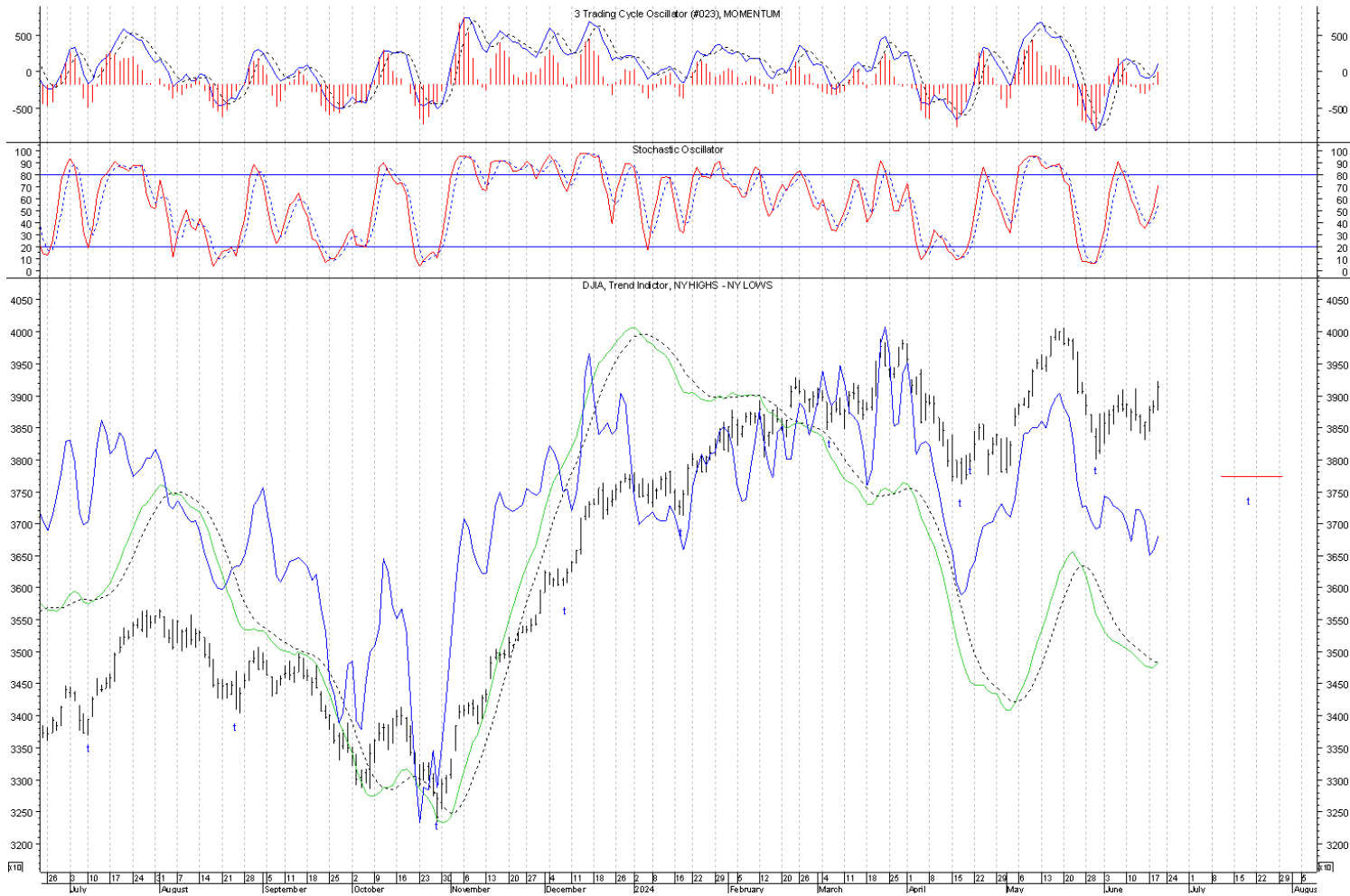
The Dollar completed the formation of another daily swing low on Thursday, triggering another short-term buy signal. This buy signal is an opportunity to correct the risk of a left-translated trading cycle top. If not corrected, the next short-term sell signal will leave the Dollar at frisk of a left-translated intermediate-term cycle top.

The short-term buy signal and trading cycle advance on the long-Bond remains intact. While Bonds have moved into the early side of the timing band for the trading cycle low, I would ideally still like to see continued strength into the now pending trading cycle top. However, once a daily swing high and downturn of the daily CTI are seen, the trading cycle top should be in place. The expectation is for the decline into the trading cycle low to be counter-trend.

**The Intermediate-Term Advancing Issues Line, plotted in red, ticked down on Thursday. As evidence this trading cycle advance is gaining traction, we need to still 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.**

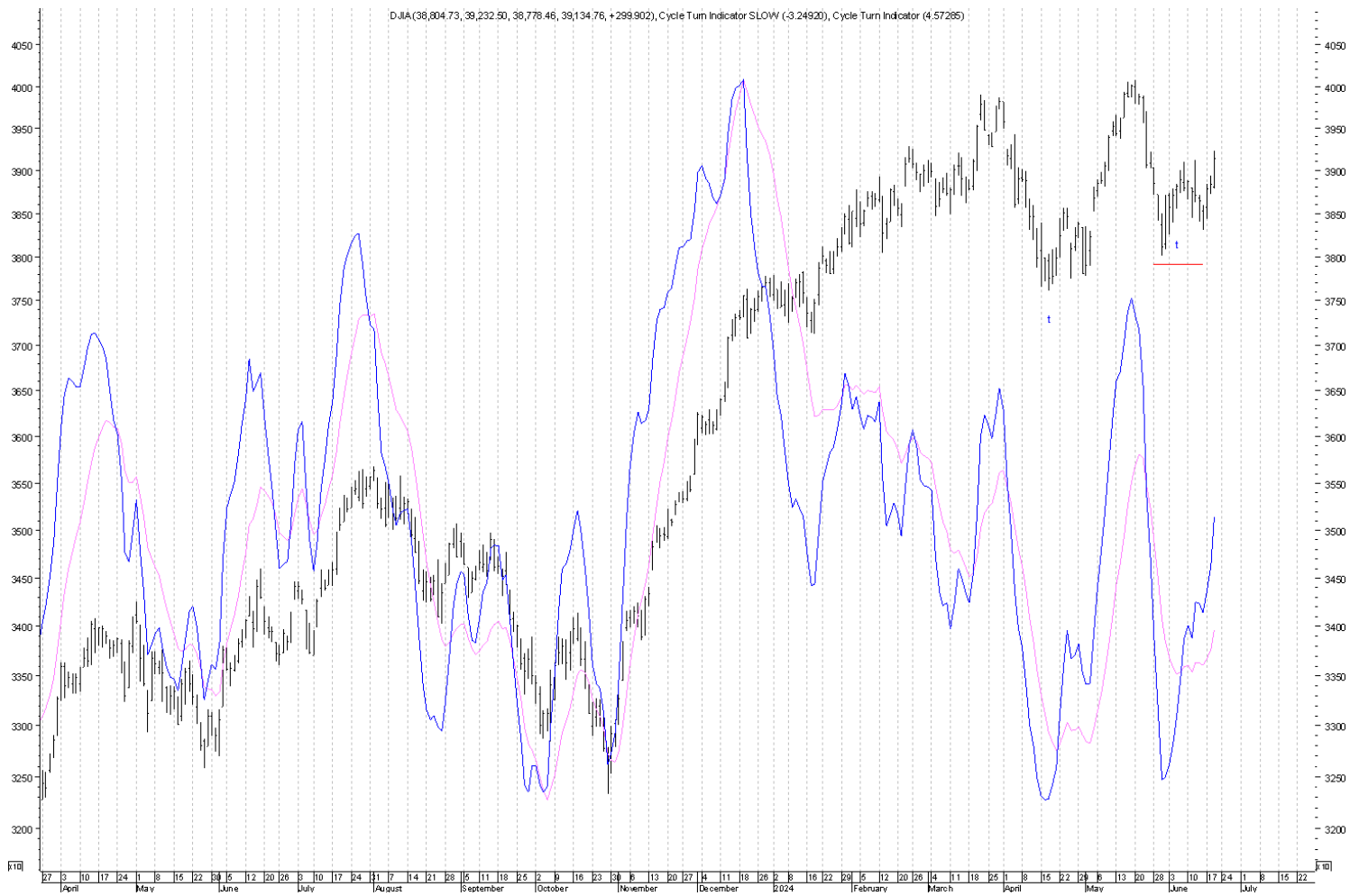


The **Trading Cycle Oscillator** in the upper window continues its upturn as does the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window has also turned back up. The **New High/New Low Differential**, plotted with price, ticked up on Tuesday and while marginal, that uptick continues. The **Trend Indicator** has turned up, but has not crossed back above its trigger line. Nonetheless, this upturn is now also reflective of the advance out of the trading cycle low.

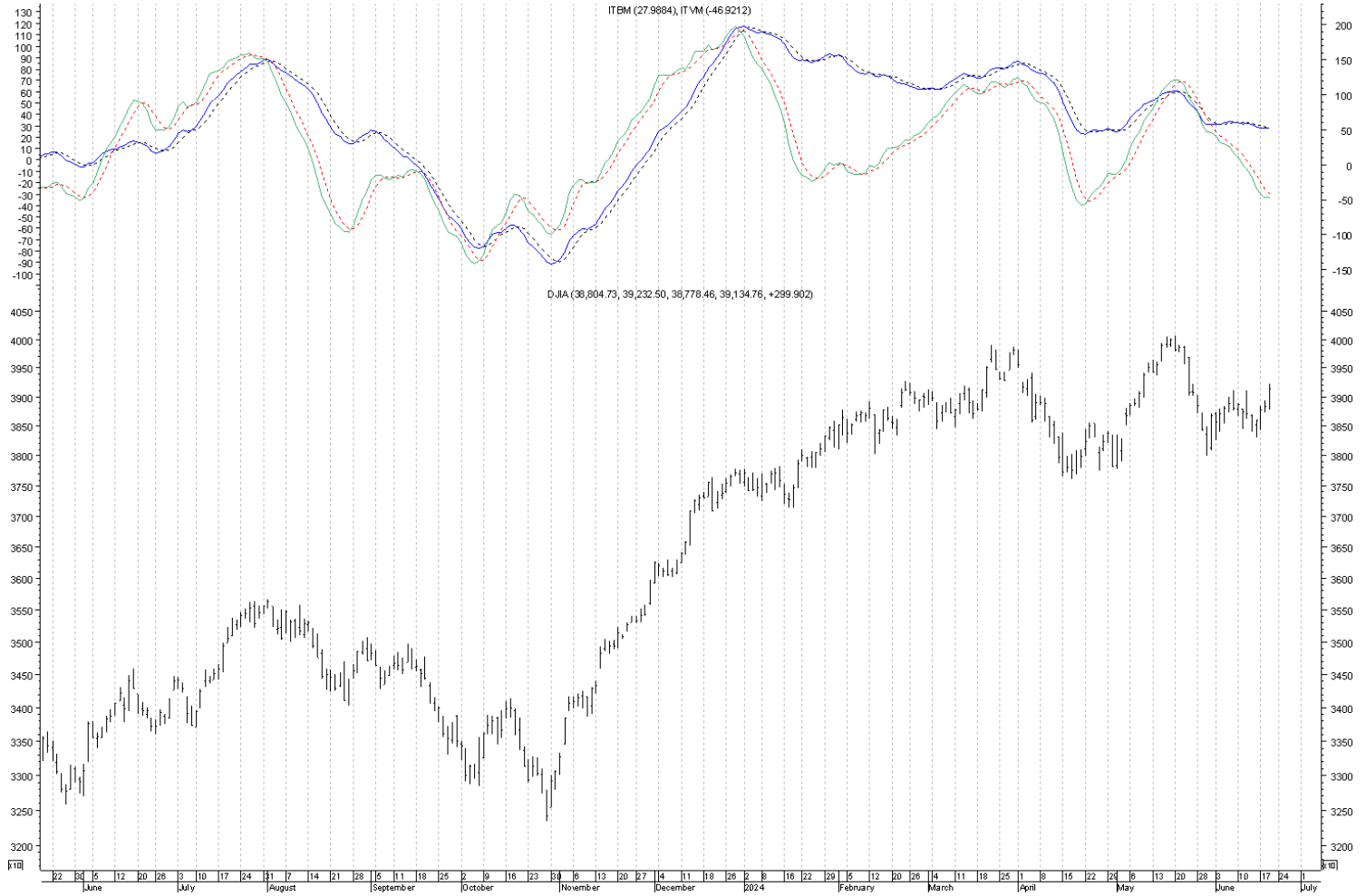


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

On Monday the Industrials completed the formation of a daily swing low and with the price action on Tuesday turning ALL Three of the Primary Short-Term Indicators up, a short-term buy signal was triggered. As reported here Tuesday night, this buy signal was much more convincing than the June 12th short-term buy signal and on Thursday more strength followed. Bottom line, this buy signal will remain intact until another daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen.

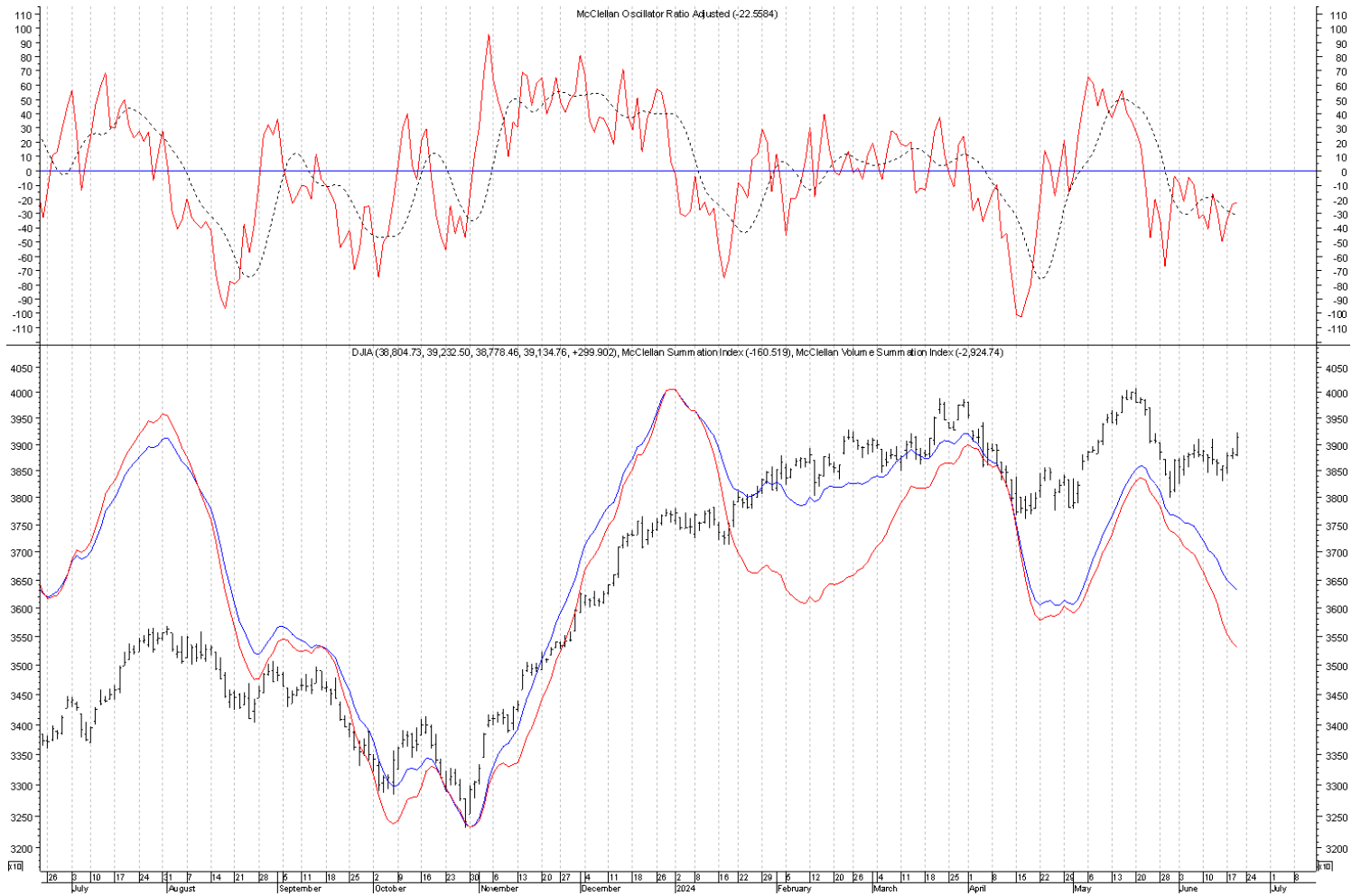


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** remain in gear to the downside, but are now trying to turn up as this trading cycle advance continues trying to gain traction.

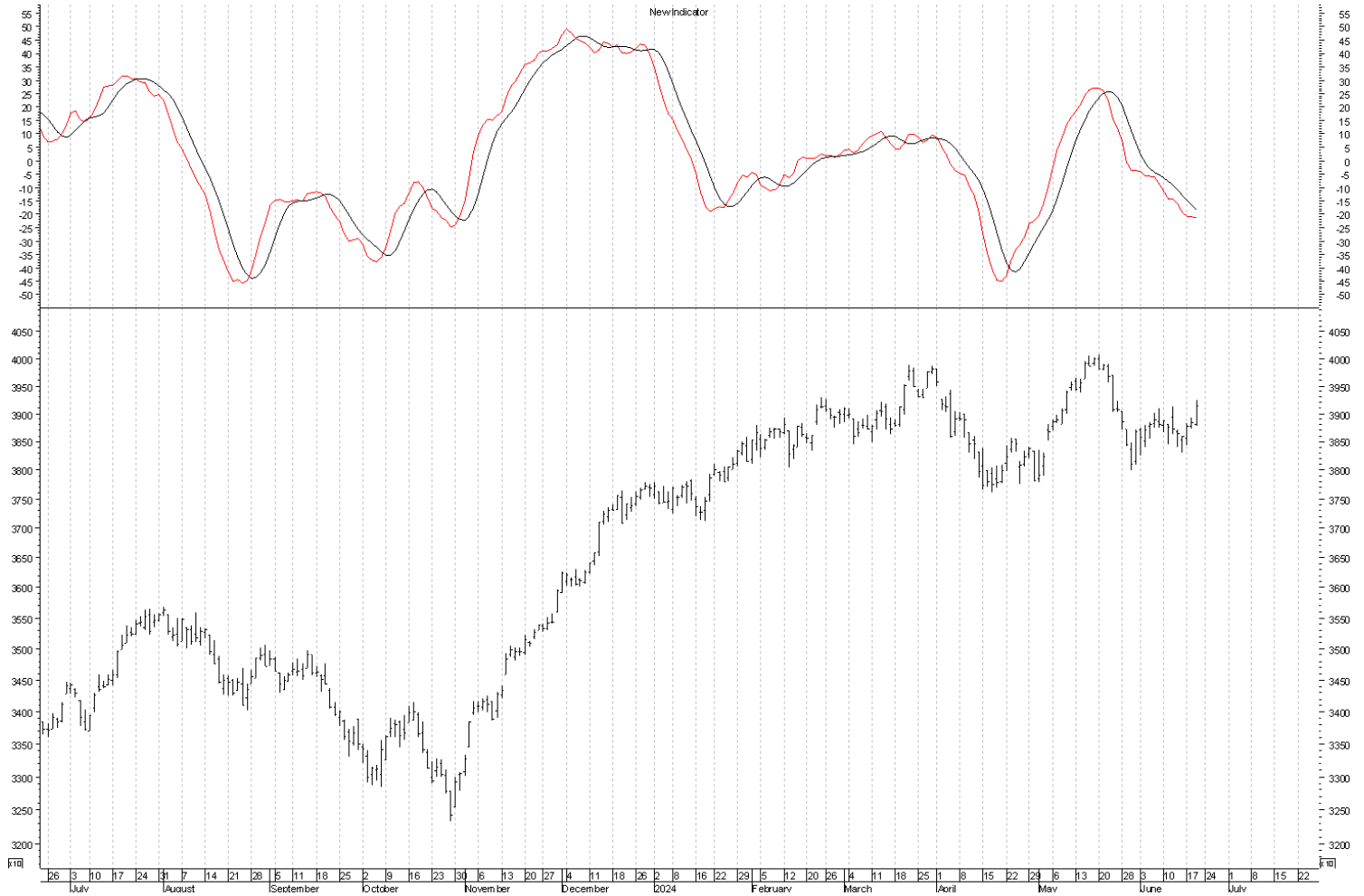




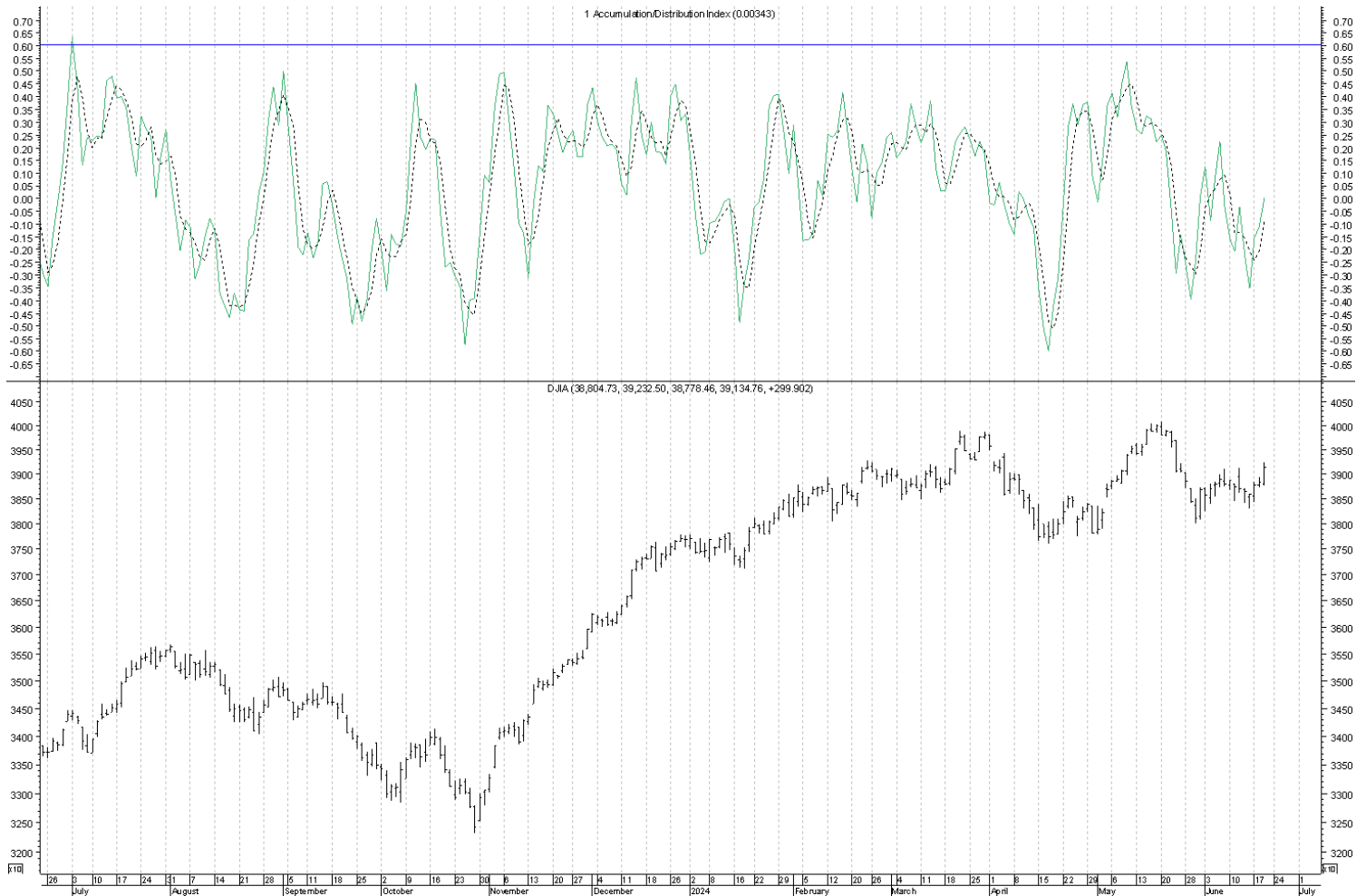
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** remain negative. Upturns here will also serve as additional confirmation of the short-term buy signal and advance out of the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window remains above its trigger line, but as additional confirmation of this trading cycle advance we need 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 certainly make for an improved oscillator picture in association with the trading cycle advance.**



The upturn of the **Accumulation/Distribution Index** continues, but thus far that upturn remains modest. With the Industrials having bettered their June 7th high but this indicator not having also bettered its corresponding high, the resulting oscillator divergence is a warning of a weak trading cycle advance and the risk of a left-translated trading cycle top.



## Gold

### 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	Bullish

#### Secondary Short Term Indicators

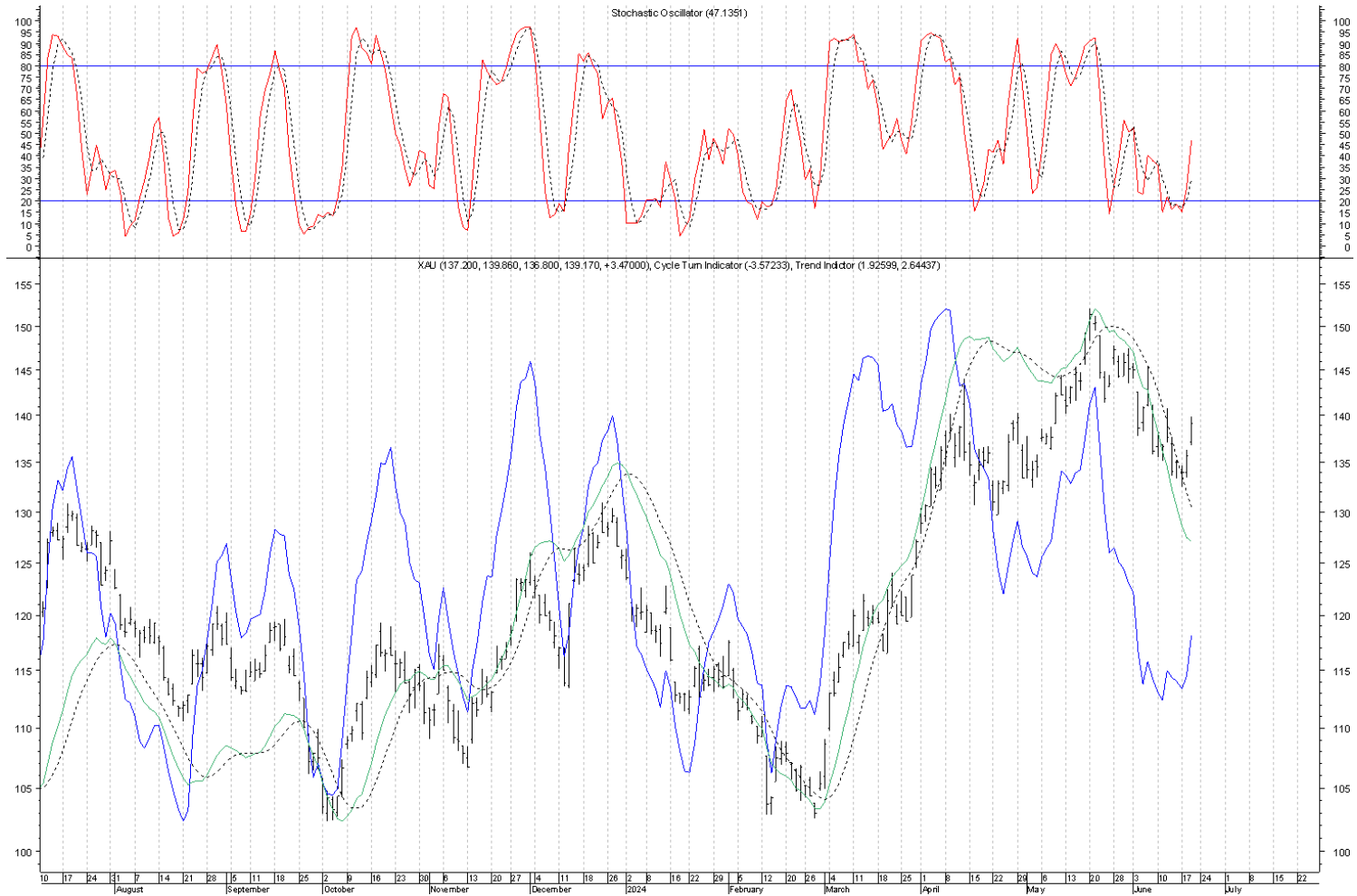
5 3 3 Stochastic	Bullish
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The timing band for the current trading cycle low ran between May 29th and June 12th. Originally, it looked as if this low was seen early in association with the May 24th daily swing low, but following the June 7th price reversal lower, I began to see evidence of this low having been seen on June 7th. All of the price action since June 7th has still occurred within the June 7th price bar, but within that context the June 14th short-term buy signal remains intact and with the bettering of the June 12th high, the evidence is increasingly suggestive of the trading cycle low having been seen on June 7th. This short-term buy signal 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 Friday if 2,379.50 is not bettered and if 2,338.50 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. Per the Tuesday night update, the resulting price/oscillator picture left the XAU positioned for higher prices and on Thursday more strength followed. The expectation is for this advance to be counter-trend, but this short-term buy signal will remain intact until another daily swing high and downturn of the daily **CTI** are seen. Another daily swing high will be completed on Friday if 139.86 is not bettered and if 136.80 is violated.



## 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 Buy**

#### Primary Indicators

Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish

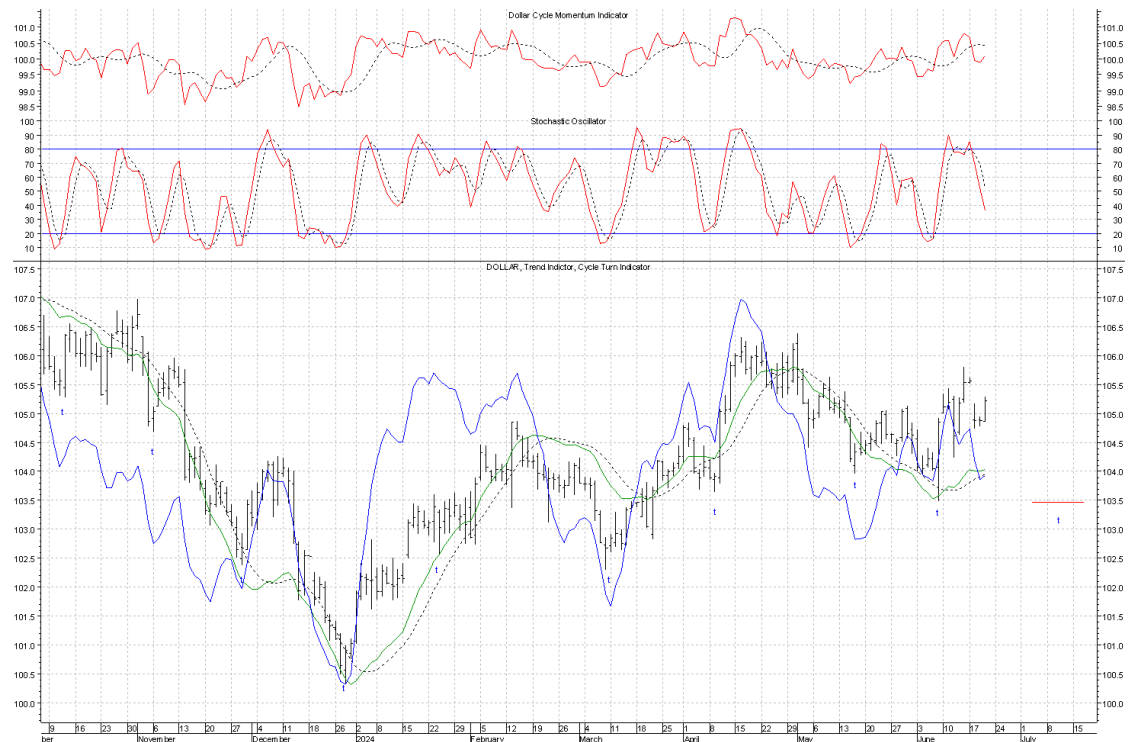
#### Confirming Indicators

Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish

#### Secondary Indicators

5 3 3 Stochastic	Bearish
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The trading cycle low was seen on June 7th and the timing band for the next trading cycle low runs between July 3rd and July 17th. On Tuesday, a short-term sell signal was triggered leaving the Dollar at risk of a left-translated trading cycle top. While that risk remains, the price action on Thursday completed the formation of a daily swing low and with the upturn of the daily **CTI**, another short-term buy signal was triggered. This short-term buy signal is an opportunity to correct the risk of a left-translated trading cycle top, but in order to do so we must see the June 14th daily swing high bettered. Otherwise, this risk will stand and the next triggering of a short-term sell signal will leave the Dollar positioned to continue lower in association with the left-translated trading cycle top. If the decline in association with any such 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. Bottom line, in order to correct this risk, the current trading cycle advance cannot peak with a left-translated structure. For now, Thursday's short-term buy signal will remain intact until another daily swing high and downturn of the daily **CTI** are seen. A daily swing high will be completed on Friday if 105.29 is not bettered and if 104.86 is violated.

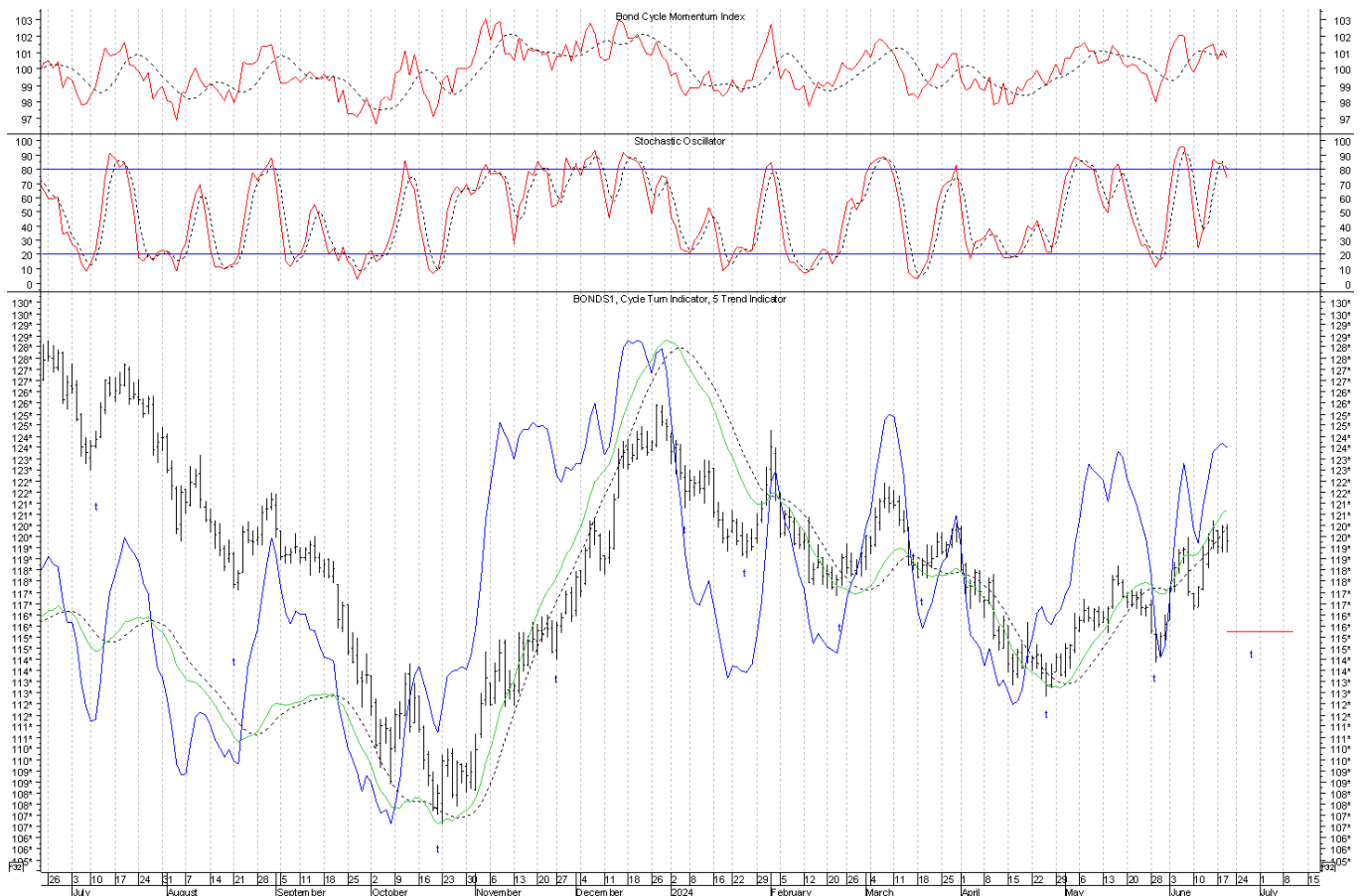


## Bonds

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

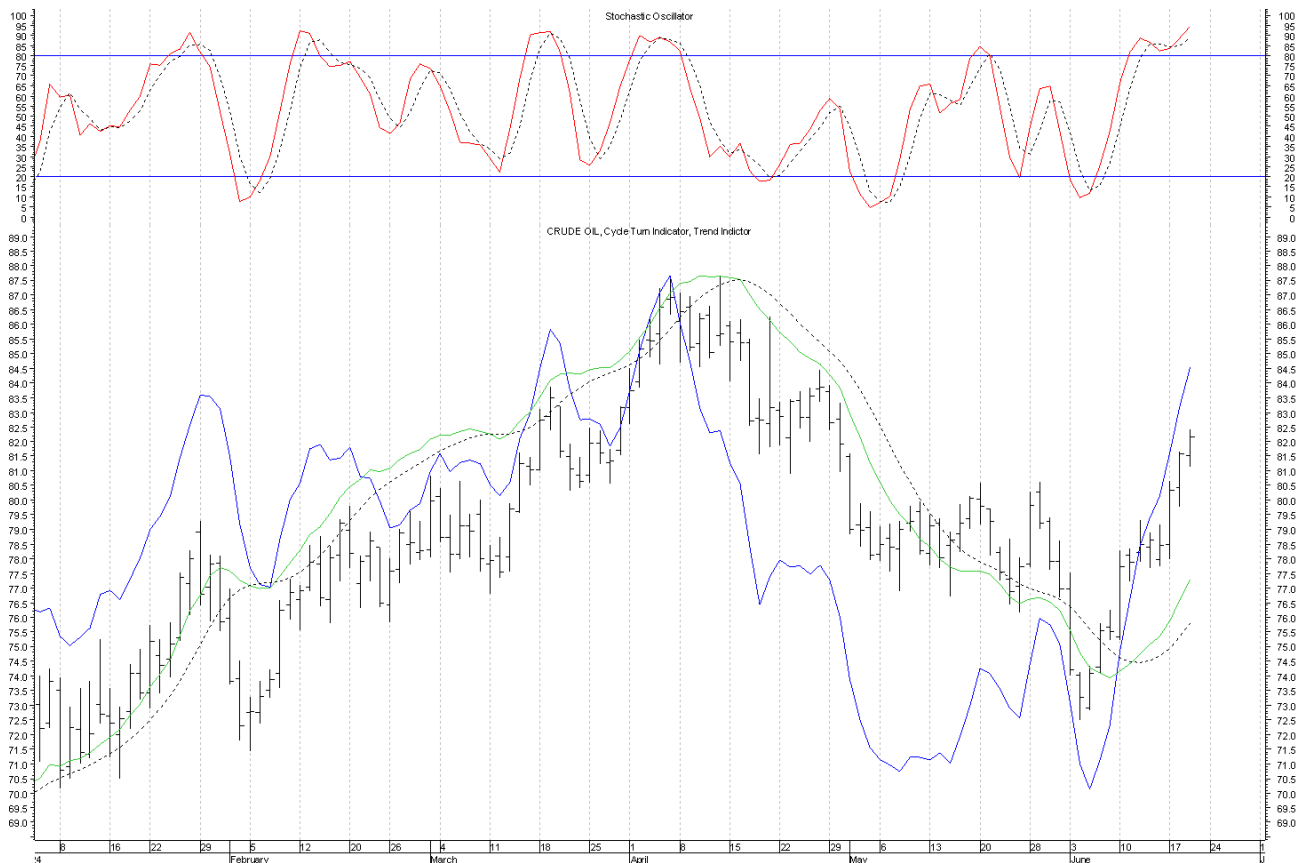
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bearish

The trading cycle low was seen in conjunction with the May 29th daily swing low and the timing band for the now pending trading cycle low runs between June 19th and July 10th. The oscillator picture has increasingly ripened for this top, but I would ideally still like to see an additional push up into the trading cycle top. However, with the daily **CTI** having turned down, any further weakness following Thursday's reversal lower that completes the formation of a daily swing high will trigger a short-term sell signal in conjunction with what should be the trading cycle top. The expectation is for the decline into the pending trading cycle low to be counter-trend.



## Crude Oil

No change with 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 Friday if 82.41 is not bettered and if 81.13 is violated.



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