

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 25, 2024

Market	Daily CTI	Daily Swing	Weekly CTI	Weekly Swing
Industrial	Positive	High	Positive	Low
Transports	Neutral	High	Positive	Low
NDX	Negative	High	Positive	High
S&P Inverse Fund	Negative	N/A	Negative	High
CRB Index	Negative	High	Negative	High
Gold	Positive	High	Negative	High
XAU	Positive	High	Negative	High
Dollar	Positive	High	Positive	Low
Bonds	Negative	Low	Positive	Low
Crude Oil	Negative	Low	Positive	Low
Unleaded	Positive	Low	Positive	Low
Natural Gas	Positive	Low	Negative	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 25, 2024

**Stocks**

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
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	Bullish
Cycle Momentum Indicator	Bullish
<i>*When this indicator is Bullish it is negative for the market and visa versa.</i>	

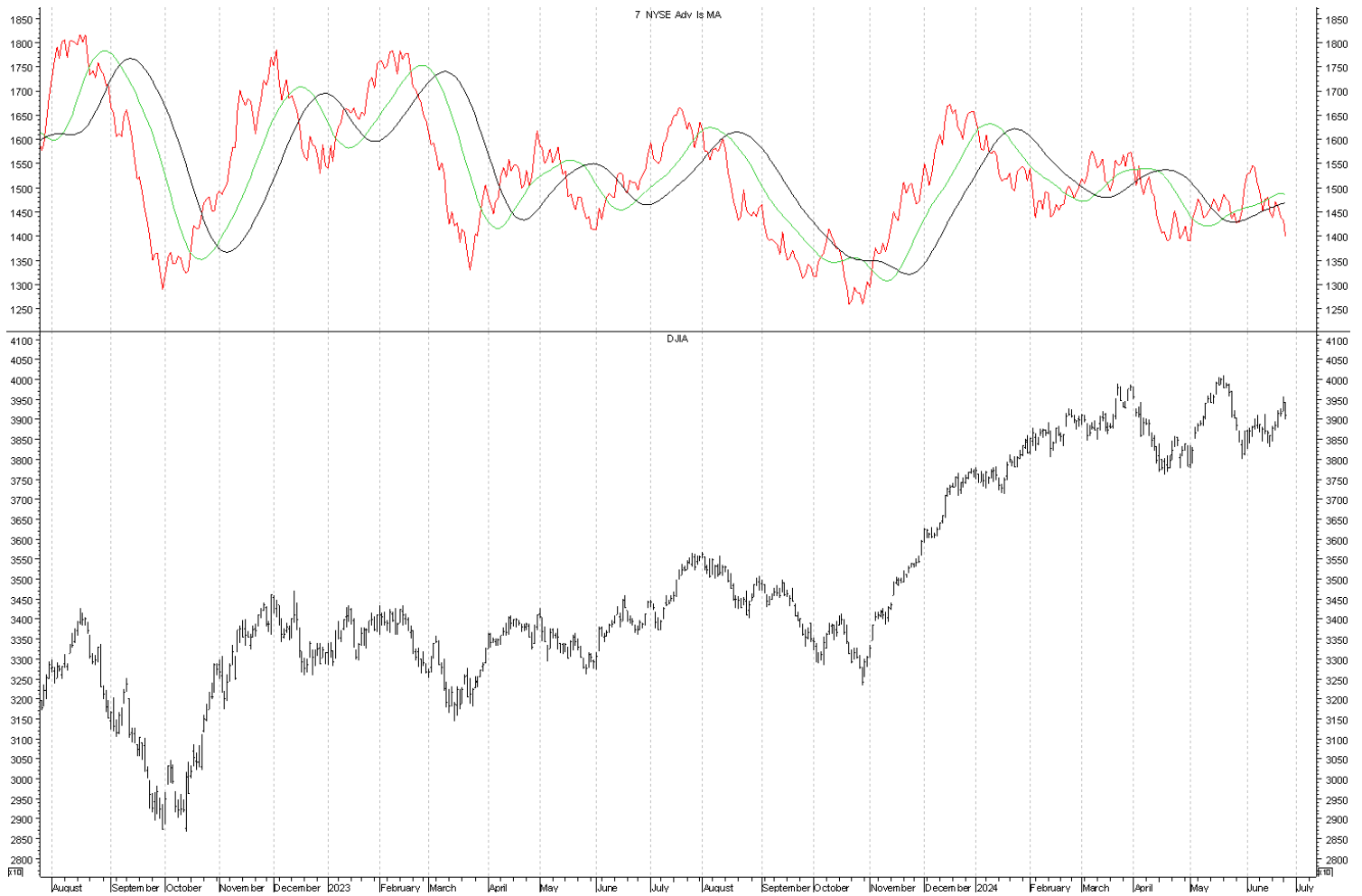
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bullish
Slow Cycle Turn Indicator (CTI)	Bullish
New High/New Low Differential	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
McClellan Intermediate Term Breadth Momentum Oscillator (ITBM)	Bullish
McClellan Intermediate Term Volume Momentum Oscillator (ITVM)	Bullish
McClellan Summation Index	Bearish
McClellan Volume Summation Index	Bearish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bearish
Cycle Momentum Indicator	Bullish
Trading Cycle Oscillator	Bullish
Momentum Indicator	Bullish
Ratio Adjusted McClellan Oscillator Crossover	Bullish
Accumulation/Distribution Index	Bearish

The trading cycle low on the Industrials was seen on May 30th and Tuesday concluded the 17th trading day of the current trading cycle. With the less dominant half-trading cycle averaging some 19 trading days, Tuesday's completion of a daily swing high should ideally be in association with the half-trading cycle top and corrective pause, followed by continued strength into the trading cycle top. 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. However, Tuesday's completion of a daily swing high and suspected half-trading cycle top is also an opportunity to cap what has been a struggling trading cycle advance. Any further weakness that turns ALL Three of the Primary Short-Term Indicators down will trigger a short-term sell signal and upon such occurrence the Industrials will be at risk of a left-translated trading cycle top. If the decline in association with the triggering of a short-term sell signal here should complete the formation of

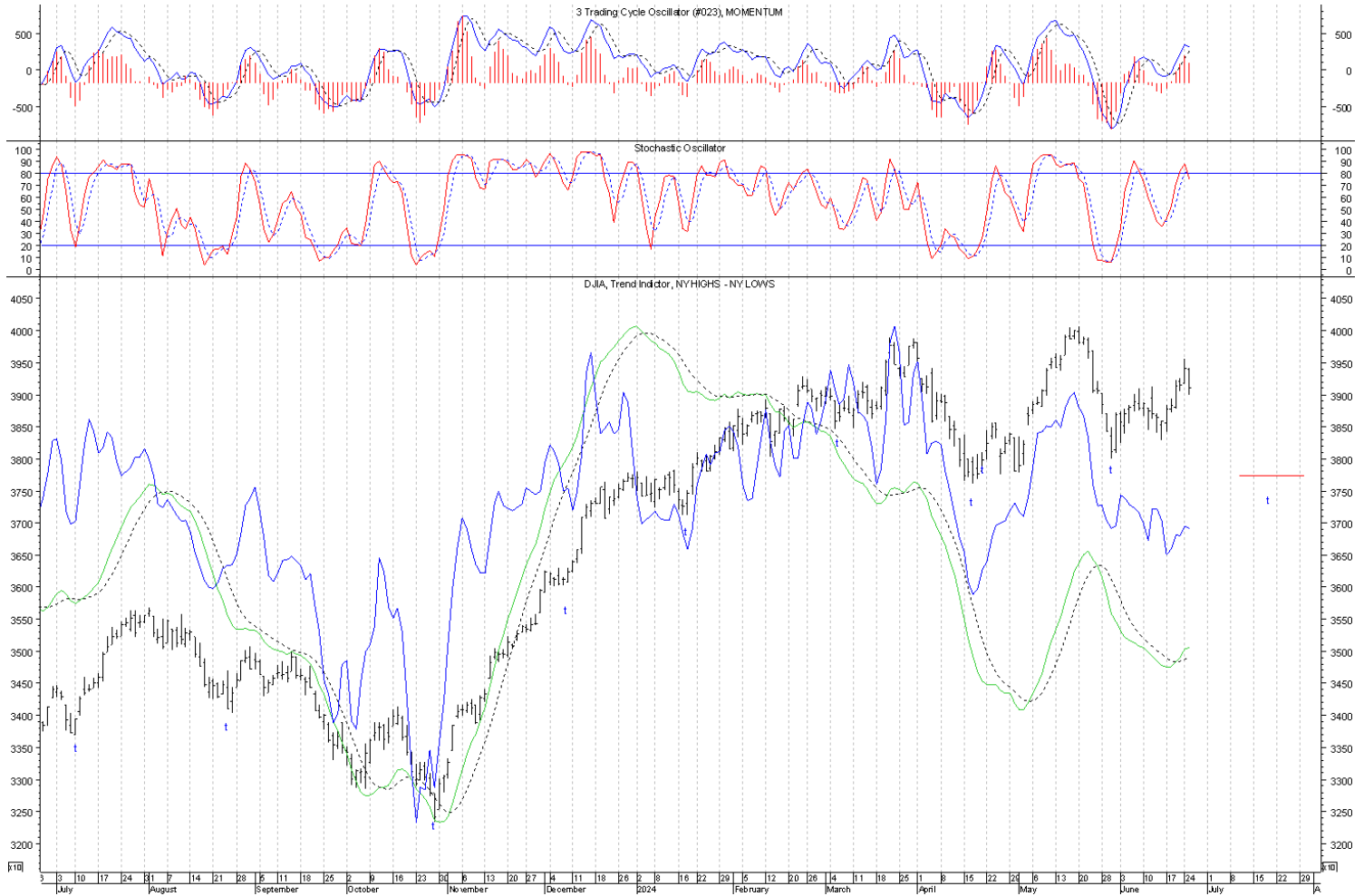
another weekly swing high it will further the risk of a left-translated trading and intermediate-term cycle top. Therefore, while this should ideally be a corrective move into a half-trading cycle low and followed by higher prices, because of the struggling trading cycle advance and the accompanying price/oscillator picture, a short-term sell signal is going to leave the Industrials in a vulnerable position. For this reason, caution is warranted. As I said in the June Research Letter, given the non-confirmations that have begun forming and with us now nearing the 3rd quarter, it is my opinion that we have moved into an increasingly vulnerable state. With this all said, the structure of the current trading and intermediate-term cycles are key! The timing band for the next trading cycle low runs between July 10th and July 30th. More on this as it develops.

On Friday Crude Oil triggered a short-term sell signal. The expectation has been for the advance out of the June 4th low to be counter-trend and any further weakness that completes the formation of a weekly swing high will leave Crude Oil at risk of that intermediate-term/counter-trend advance having run its course. The advance out of the June 4th trading and intermediate-term cycle low on Gasoline remains intact, but here too, the expectation is for this advance to be counter-trend. Natural Gas completed the formation of a daily swing low on Tuesday, triggering a short-term buy signal, but because of the reversal lower, this signal is questionable and must be confirmed by a close above Tuesday's high. The completion of another daily swing high should retrigger another short-term sell signal. The CRB Index triggered a short-term sell signal on Friday and the continued weakness has set another weekly swing high into motion, which is in turn suggestive of the retest of the intermediate-term top having run its course. Gold completed the formation of a daily swing high on Tuesday and any further weakness that turns the daily CTI down will trigger another short-term sell signal in association with what at this juncture will be assumed to be a left-translated trading cycle top. The XAU completed the formation of a daily swing high on Tuesday and any further weakness that turns the daily CTI back down will trigger a short-term sell signal, thereby leaving the XAU at risk of a left-translated trading cycle top. The June 20th short-term buy signal on the Dollar remains intact, but thus far the risk of a left-translated trading cycle top stands. In order to correct this risk, we must see the June 14th daily swing high bettered. No change with Bonds. 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 last Thursday and that decline has since accelerated. As a result, I find this behavior concerning because it is suggestive of a failing and left-translated trading cycle top. In order to correct this risk, we must see this indicator turn back up. The Green MA remains above the Black MA, but has ticked slightly lower. Generally there are two crossings below the Black MA in association with intermediate-term cycle tops, but a downturn here in association with a failed and left-translated trading cycle would certainly not be a positive development.**

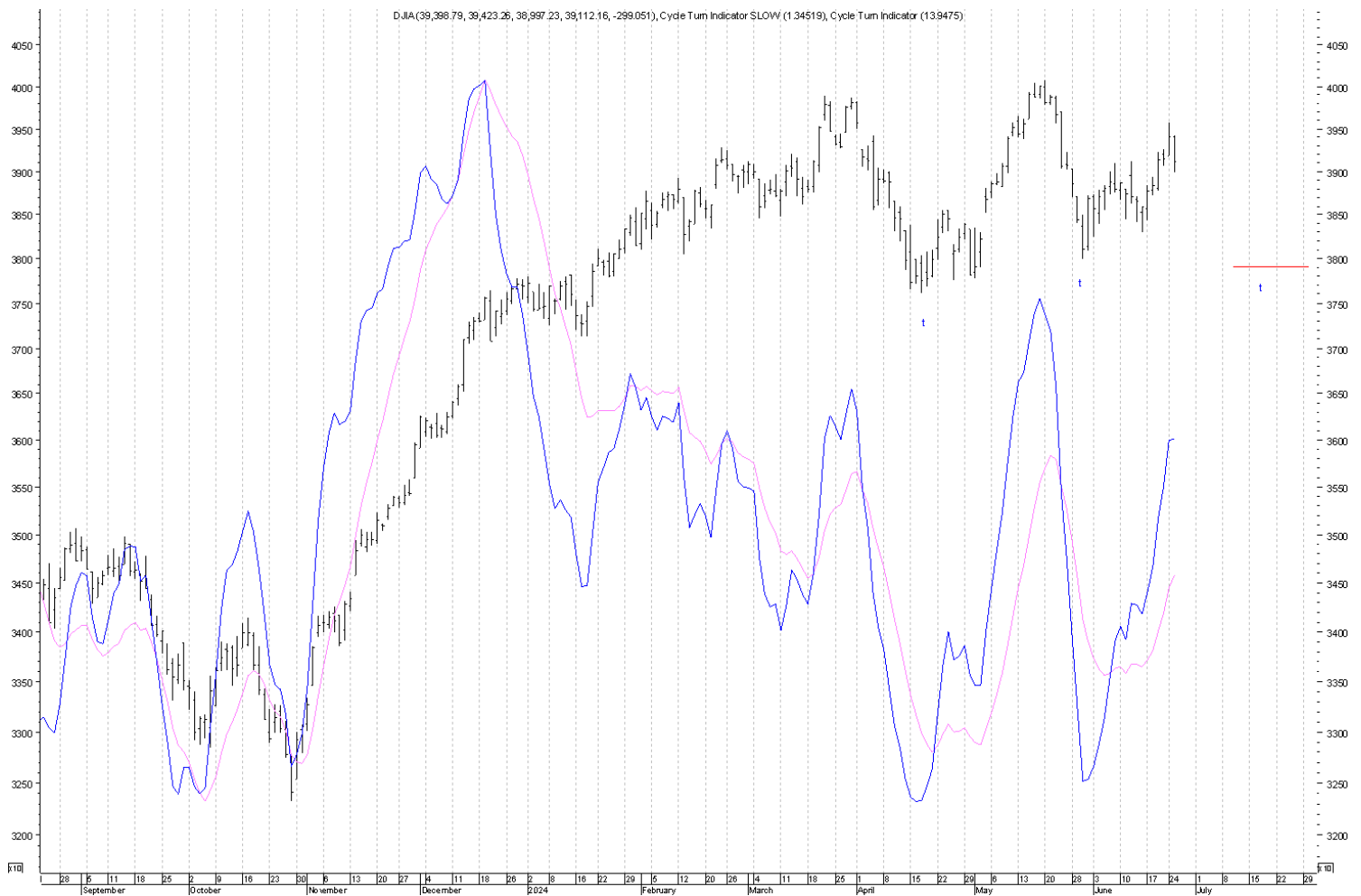


The **Trading Cycle Oscillator** in the upper window has ticked down, but remains above its trigger line. The **Momentum** Indicator has also ticked down, but remains above its zero line. The **5 3 3 Stochastic** in the middle window has turned down from overbought levels. The **New High/New Low Differential**, plotted with price, has ticked down. The **Trend Indicator** has crossed above its trigger line.

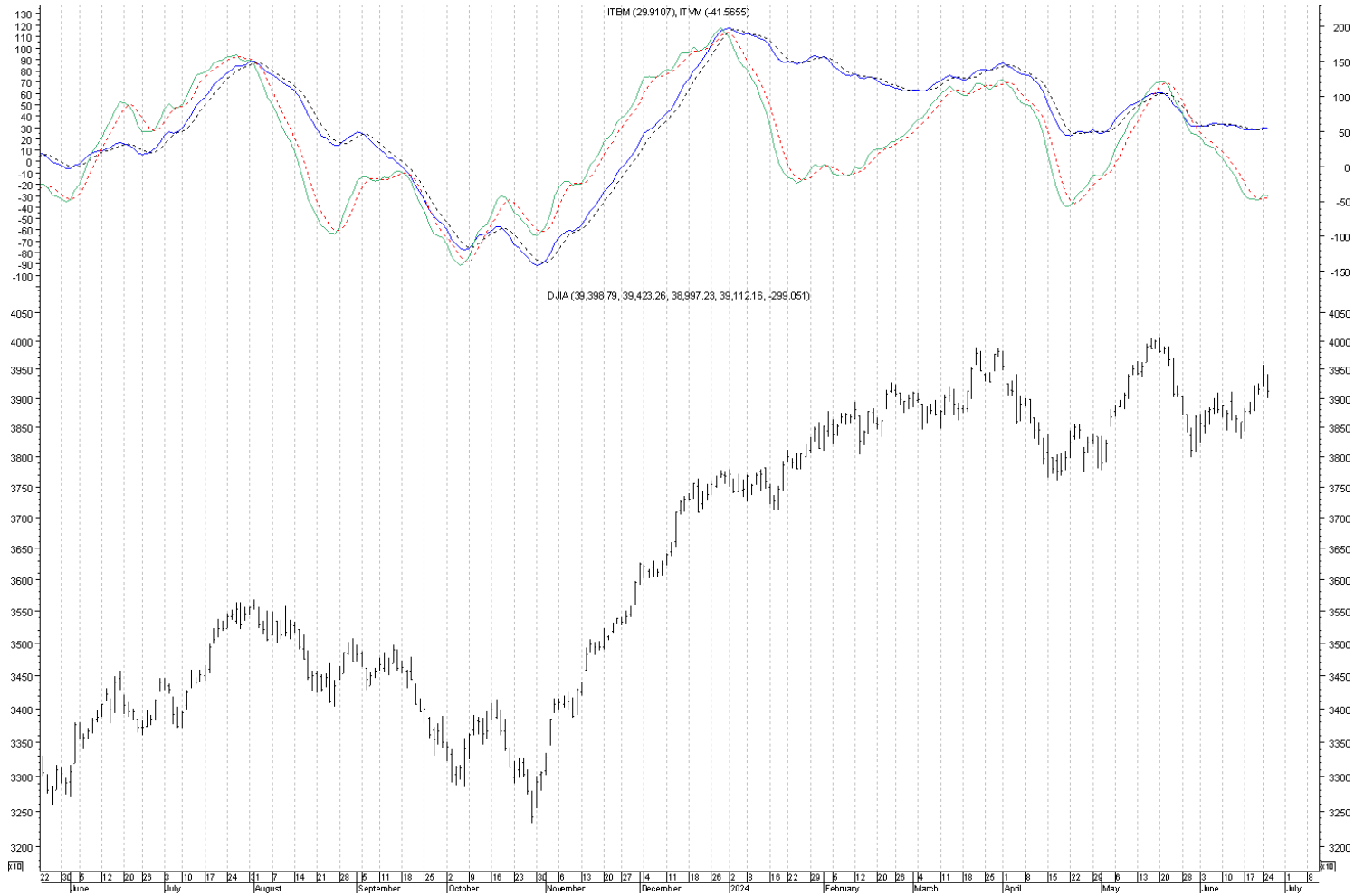


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

On Tuesday the Industrials completed the formation of a daily swing high and any further weakness that turns ALL Three of the Primary Short-Term Indicators down will trigger an short-term sell signal, which should be in association with the half-trading cycle top. However, the triggering of a short-term sell signal here will also put the Industrials at increased risk of a left-translated trading cycle top. To the contrary, any further advance that completes the formation of another daily swing low will keep the trading cycle advance intact.

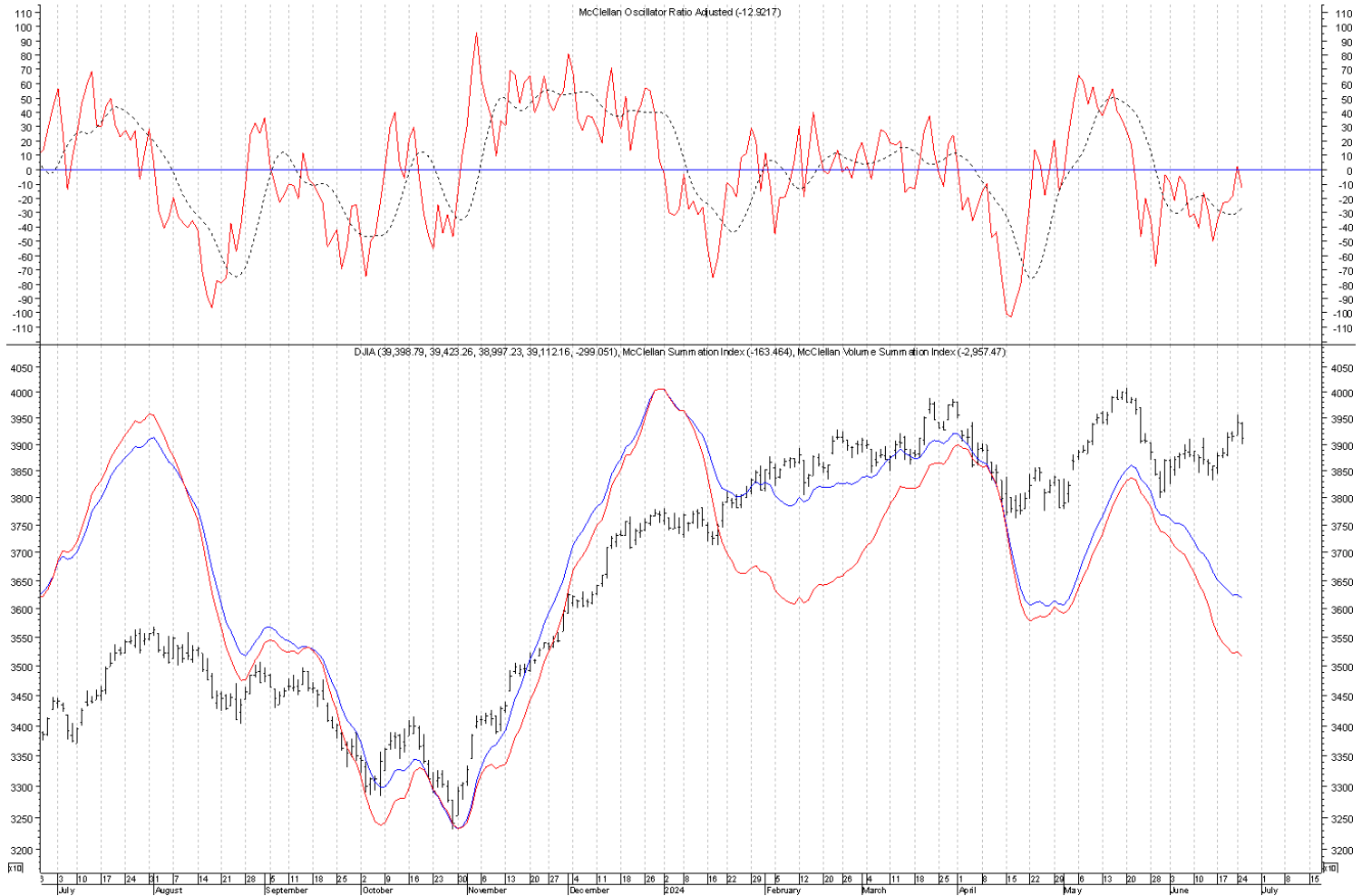


Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** have turned marginally above their trigger lines in conjunction with the trading cycle low.

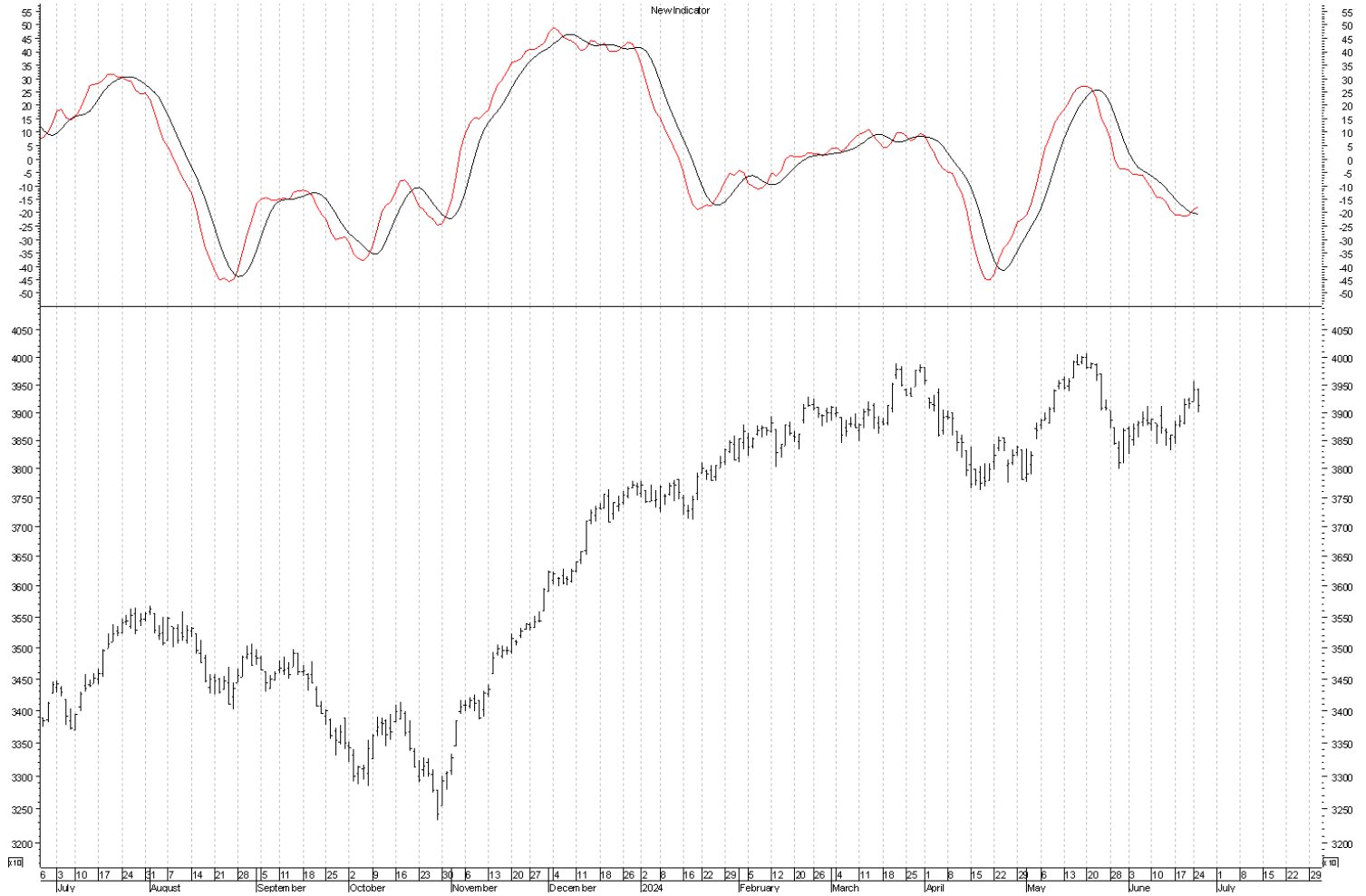




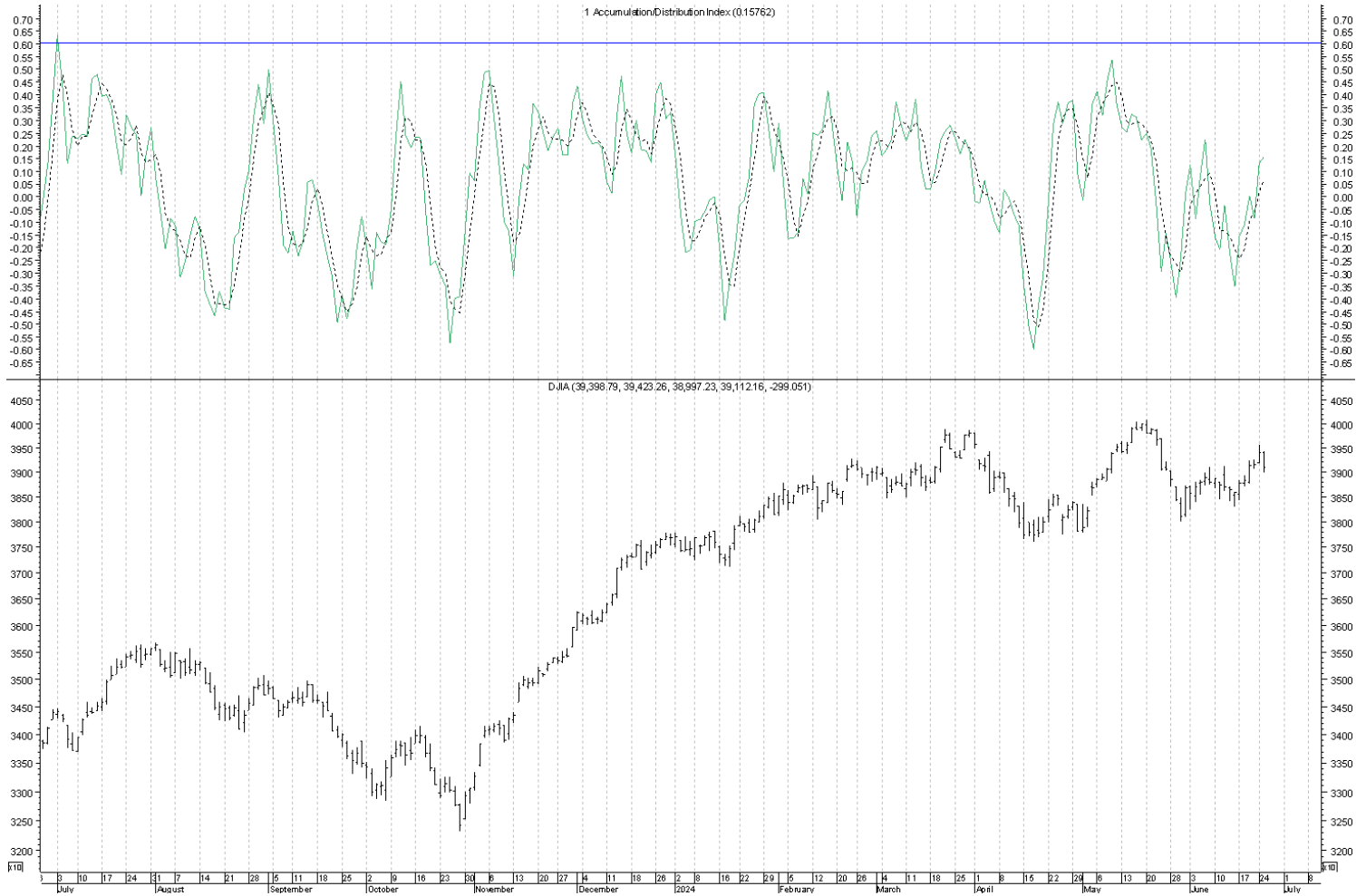
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** ticked up on Monday, but turned back down on Tuesday. The **Ratio Adjusted McClellan Oscillator** in the upper window turned above its trigger line last week and on Monday crossed marginally above its zero line. Tuesday's downturn in conjunction with the completion of a daily swing high is also concerning with regard to the possibility of a failing trading cycle advance. A crossing below the trigger line in conjunction with the triggering of a short-term sell signal would definitely make for increasingly risky price/oscillator picture.



The smoothed McClellan oscillator finally turned above its trigger line in conjunction with the trading cycle low. Here too, I have to read this delayed upturn as being reflective of a weak and struggling trading cycle advance.



No change here. 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 continues to be a warning of a weak trading cycle advance.



## 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 High	Bearish
Cycle Turn Indicator (CTI)	Bullish

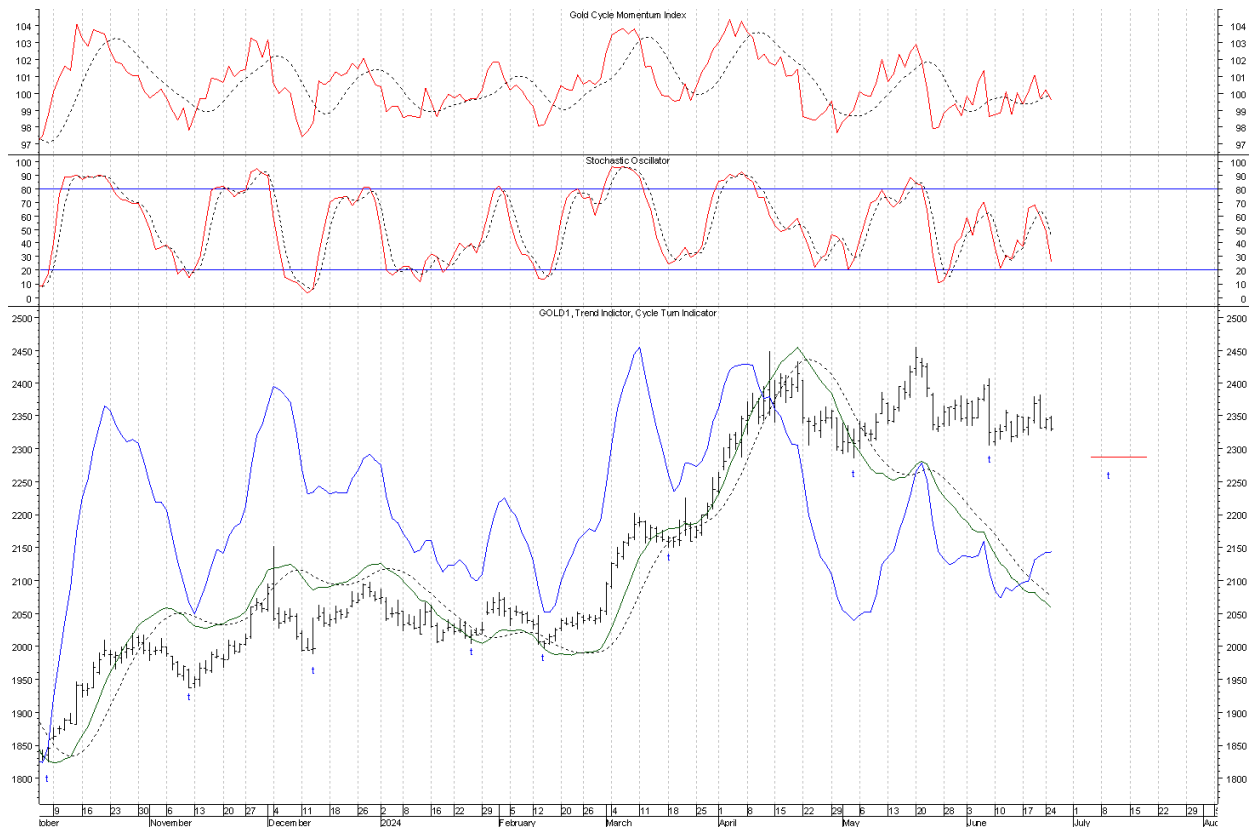
#### Confirming Indicators

Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish

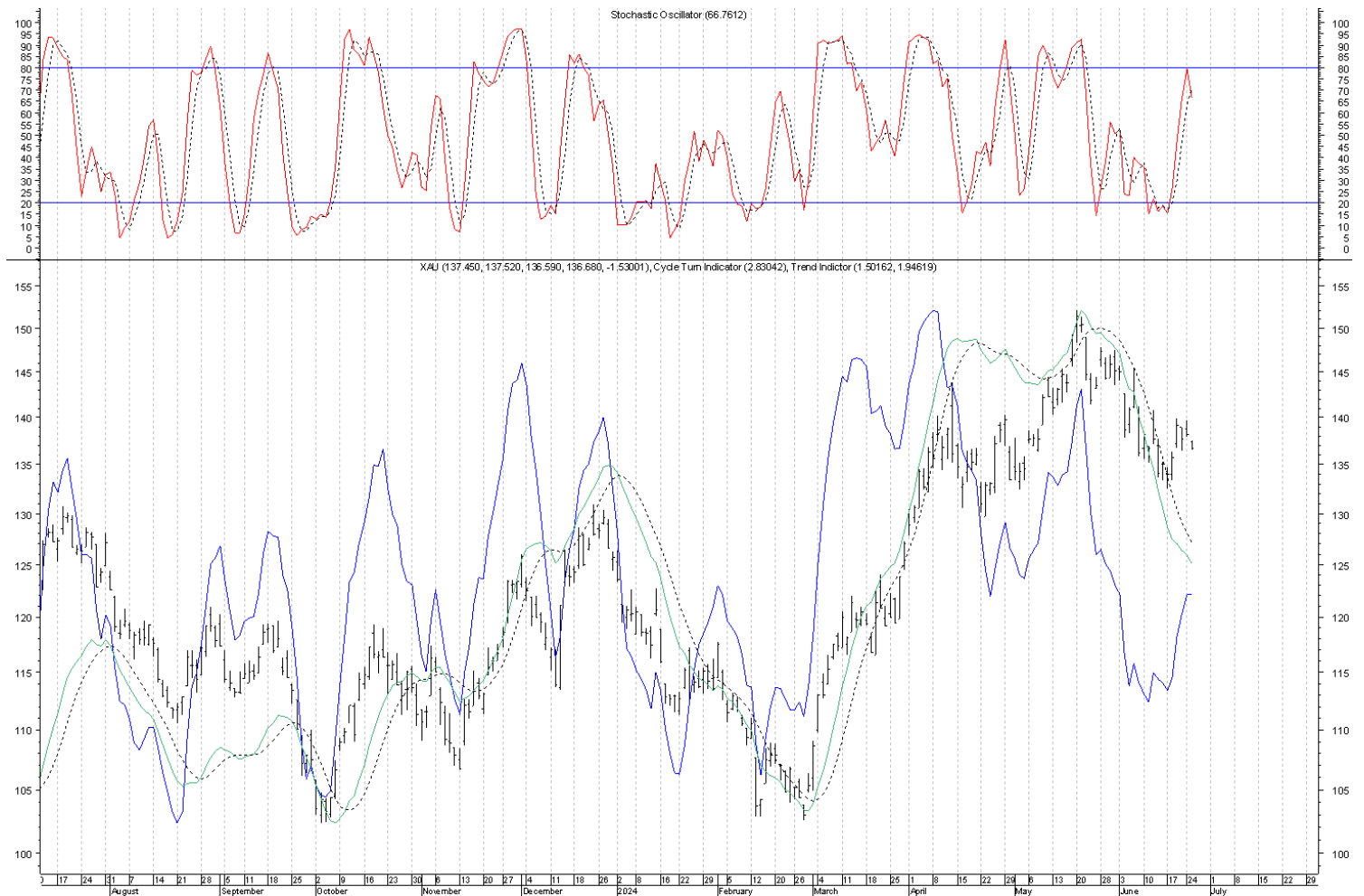
#### Secondary Short Term Indicators

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 18th. Given Friday's reversal lower and the completion of a daily swing high on Tuesday, the accompanying price/oscillator picture is certainly ripe for a top. Any further weakness that turns the daily **CTI** down will trigger a short-term sell signal leaving Gold at risk of a left-translated trading cycle top, which will in turn leave Gold positioned for continued weakness into the intermediate-term cycle low. Another daily swing low will be completed on Wednesday if 2,327.10 holds and if 2,349.70 is bettered.



Our daily chart of the XAU is next and on Tuesday, the XAU completed the formation of a daily swing high. The expectation has been for the advance out of the June 17th daily swing low to be counter-trend and any further weakness that turns the daily CTI back down will trigger a short-term sell signal, thereby leaving the XAU at risk of a left-translated trading cycle top. Upon such development, it will leave the XAU positioned for continued weakness in association with the intermediate-term cycle top and decline into the intermediate-term cycle low. But, until a daily swing high AND downturn of the daily CTI are seen, the previously triggered short-term buy signal will remain intact. Another daily swing low will be completed on Wednesday if 136.59 holds and if 137.52 is bettered.



## 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 High	Bullish
Cycle Turn Indicator (CTI)	Bullish

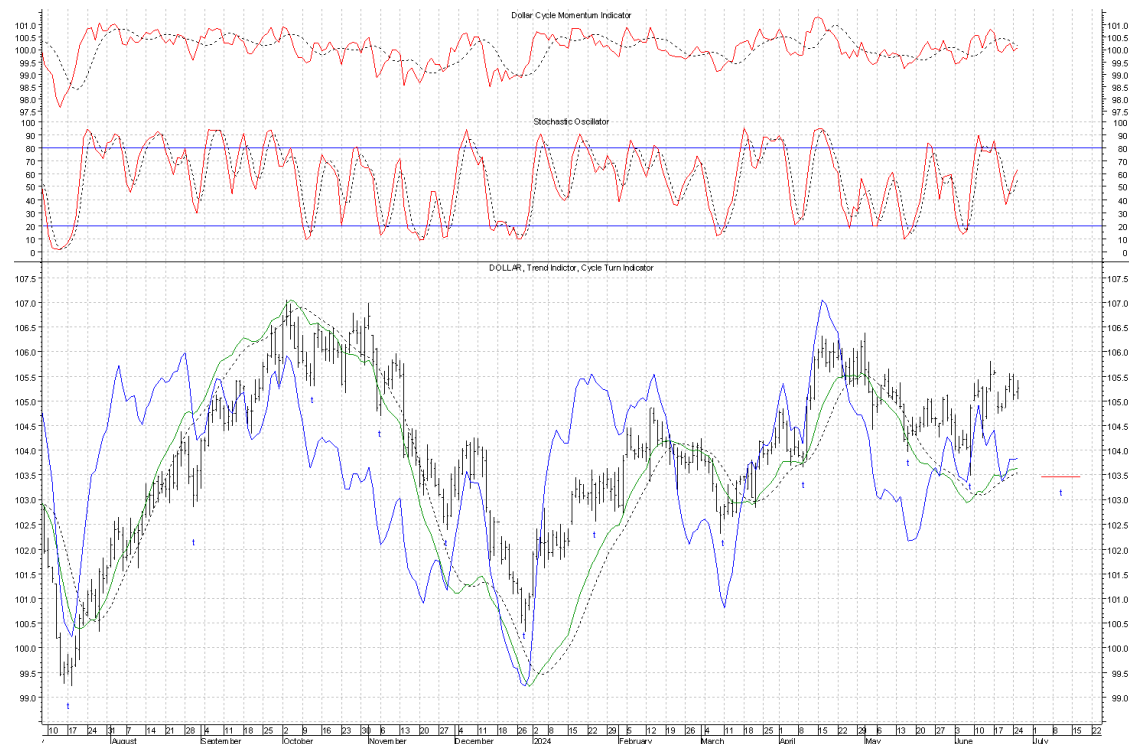
#### Confirming Indicators

Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish

#### Secondary Indicators

5 3 3 Stochastic	Bullish
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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 June 18th, a short-term sell signal was triggered leaving the Dollar at risk of a left-translated trading cycle top. While that risk remains, the June 20th short-term buy signal also remains intact and this short-term buy signal continues to be 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, the June 20th short-term buy signal will remain intact until another daily swing high AND downturn of the daily CTI are seen. Another daily swing low will be completed on Wednesday if 105.01 holds and if 105.55 is bettered.

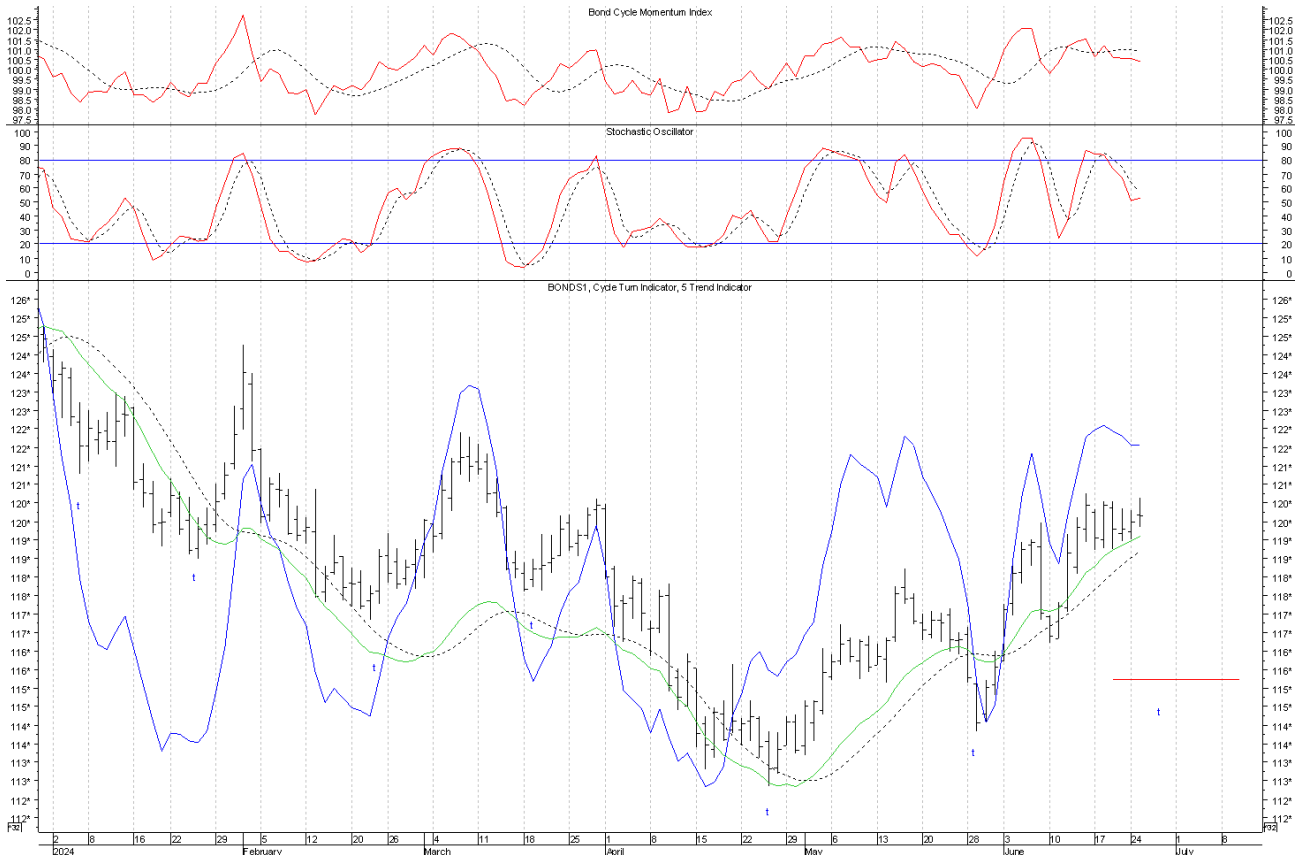


## Bonds

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

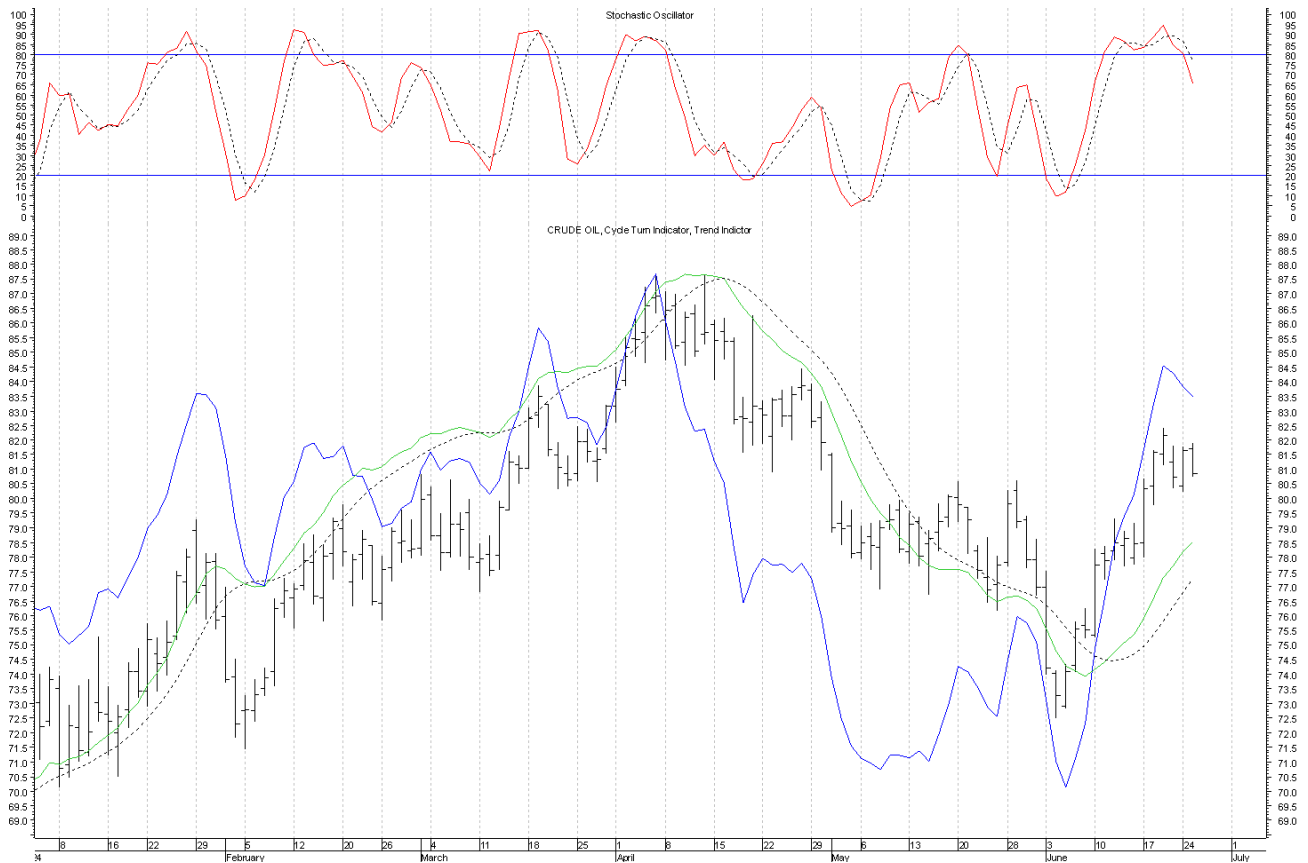
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bearish

The trading cycle low was seen in conjunction with the May 29th daily swing low and the price oscillator picture certainly remains ripe for the trading cycle 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 that completes the formation of another daily swing high, which also carries Bonds below the June 17th low, should serve as confirmation of the trading cycle top. The timing band for the now pending trading cycle low runs between June 19th and July 10th. The expectation is for the decline into the pending trading cycle low to be counter-trend, followed by continued strength and it should be in conjunction with the current intermediate-term cycle advance that we see increased pressure on rates as we move toward the rate cutting cycle.



## Crude Oil

Per the parameters given in the Thursday night update, Crude Oil completed the formation of a daily swing high and per the Indicator Summary in the weekend update, a short-term sell signal was triggered. The price action on Tuesday completed the formation of a daily swing low, but with price reversing lower, the short-term sell signal held. With the completion of a weekly swing low the week of June 14th, an intermediate-term buy signal in association with the higher degree intermediate-term cycle low was seen. Every indication has been that the higher degree seasonal and 3-year cycle tops have been seen and for that reason, the expectation has been for the advance out of the June 4th low to be counter-trend. If the decline in association with Friday's short-term sell signal completes the formation of a weekly swing high, then we will have a structural footing to cap this intermediate-term counter-trend advance. For now, the price/oscillator picture is suggestive of a trading cycle top and this sell signal will remain intact until another daily swing low and upturn of the daily CTI are seen. Another daily swing high will be completed on Wednesday if 81.90 is not bettered and if 80.76 is violated.



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