

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 July 2, 2024

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

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.

July 2, 2024

Stocks

End of Week Intermediate-Term Indicator Summary Intermediate-Term Buy	
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
CTI on Rydex Tempest Fund *	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Advance/Decline Issues Diff	Bearish
New High New Low Diff	Bullish
Secondary Indicators	
5 3 3 Stochastic	Bullish
Cycle Momentum Indicator	Bearish
<i>*When this indicator is Bullish it is negative for the market and visa versa.</i>	

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

I am going to be tied up with family on the 4th and unavailable to do an update. If something meaningful happens on Wednesday, I should be able to get a short update out tomorrow night. Otherwise, with the markets closed on Thursday the next short-term update will be the usual weekend update.

The trading cycle low on the Industrials was seen on May 30th and Tuesday concluded the 22nd trading day of the current trading cycle. This trading cycle remains at risk of a left-translated trading cycle top, but the short-term buy signal also remains intact. With the pause into the less dominant half-trading cycle low behind us, I would ideally still like to see continued strength as this cycle presses higher into the trading cycle top. The timing band for the now approaching trading cycle low runs between July 10th and July 30th. At a higher level, the expectation has been for higher prices in association with the current trading and ideally one additional trading cycle up to follow as the underlying higher degree intermediate-term cycle advance carries us into the 3rd quarter with the setting up of the CheckMate Chart similar to the 2007 and 2020 tops.

While this trading cycle advance remains sketchy, this expectation has not yet changed. With the completion of a weekly swing low and upturn of the weekly CTI last week, an intermediate-term buy signal was triggered, leaving the Industrials positioned for continued strength in association with this ongoing expectation of higher prices as we move into the 3rd quarter. But, at the same time, I also continue to acknowledge the ongoing risk of a failing and left-translated trading cycle advance, which at this juncture would be further suggestive of a left-translated intermediate-term cycle top as well. Bottom line, the structure of the current trading and intermediate-term cycles remains key!

Crude Oil's reversal lower on Tuesday is suggestive that the additional advance into the trading cycle top has possibly run its course. Any further weakness that completes the formation of a daily swing high in conjunction with a downturn of the daily CTI will trigger a short-term sell signal and the assumption will be that this top has been seen.

Gasoline also reversed lower on Tuesday and as with Crude Oil, any further weakness that completes the formation of a daily swing high that is confirmed by a downturn of the daily CTI will trigger a short-term sell signal. Here too, the expectation has been for this advance to be counter-trend and the completion of a weekly swing high will be suggestive of this advance having run its course.

The short-term sell signal on Natural Gas remains intact and at a higher level the evidence is suggestive of the intermediate-term cycle top having also been seen, meaning that the counter-trend advance here has run its course.

The CRB Index triggered a short-term buy signal on Monday, but the expectation is for this to be in association with another counter-trend advance.

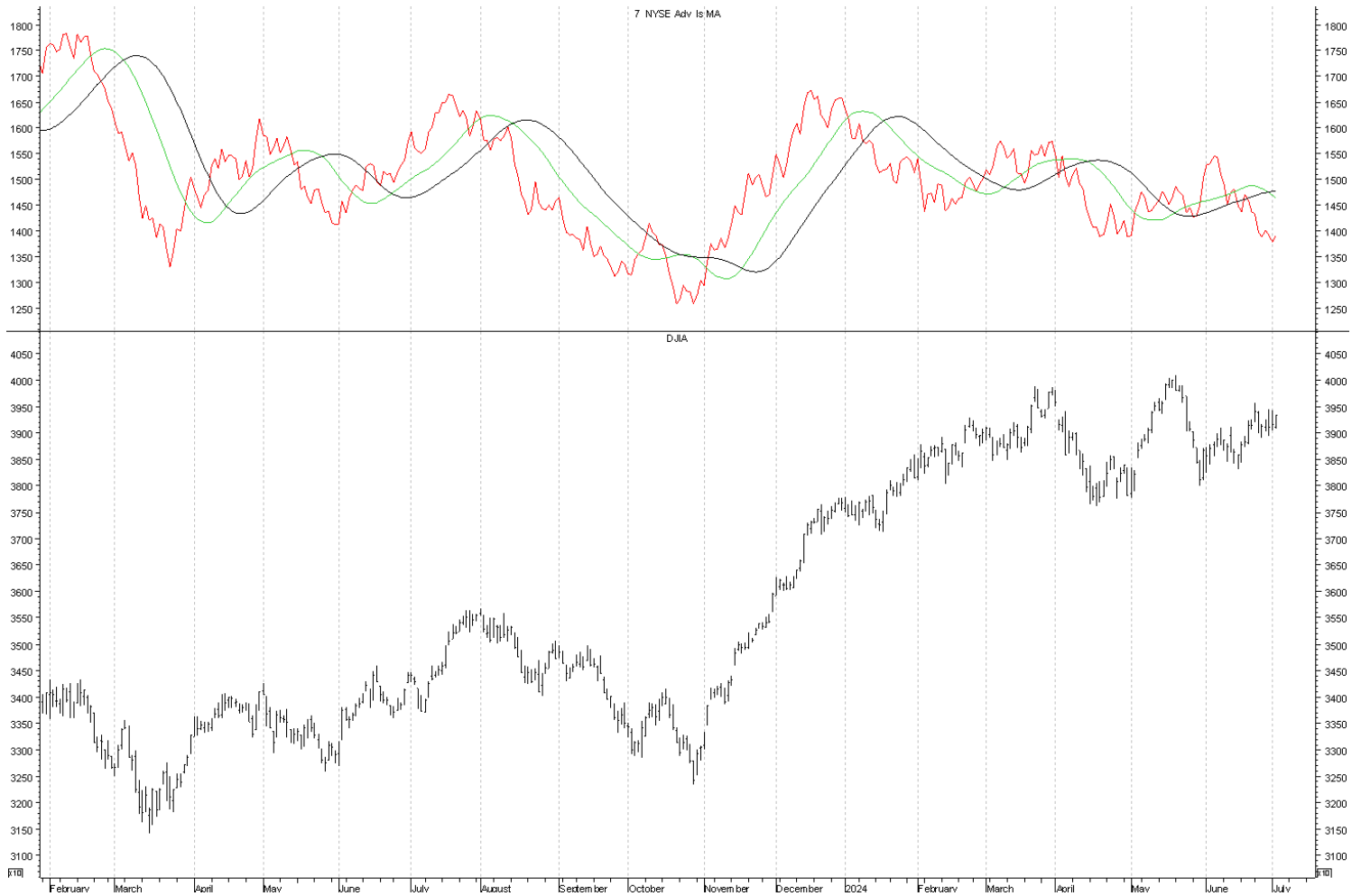
Gold remains at risk of a left-translated trading cycle top and on Tuesday a marginal short-term sell signal was triggered. As confirmation of this signal we need to see a solid close below Tuesday's low.

The XAU completed the formation of a daily swing high on Monday and with the daily CTI having turned down, a short-term sell signal was triggered, which in doing so is an opportunity to cap this suspected counter-trend advance.

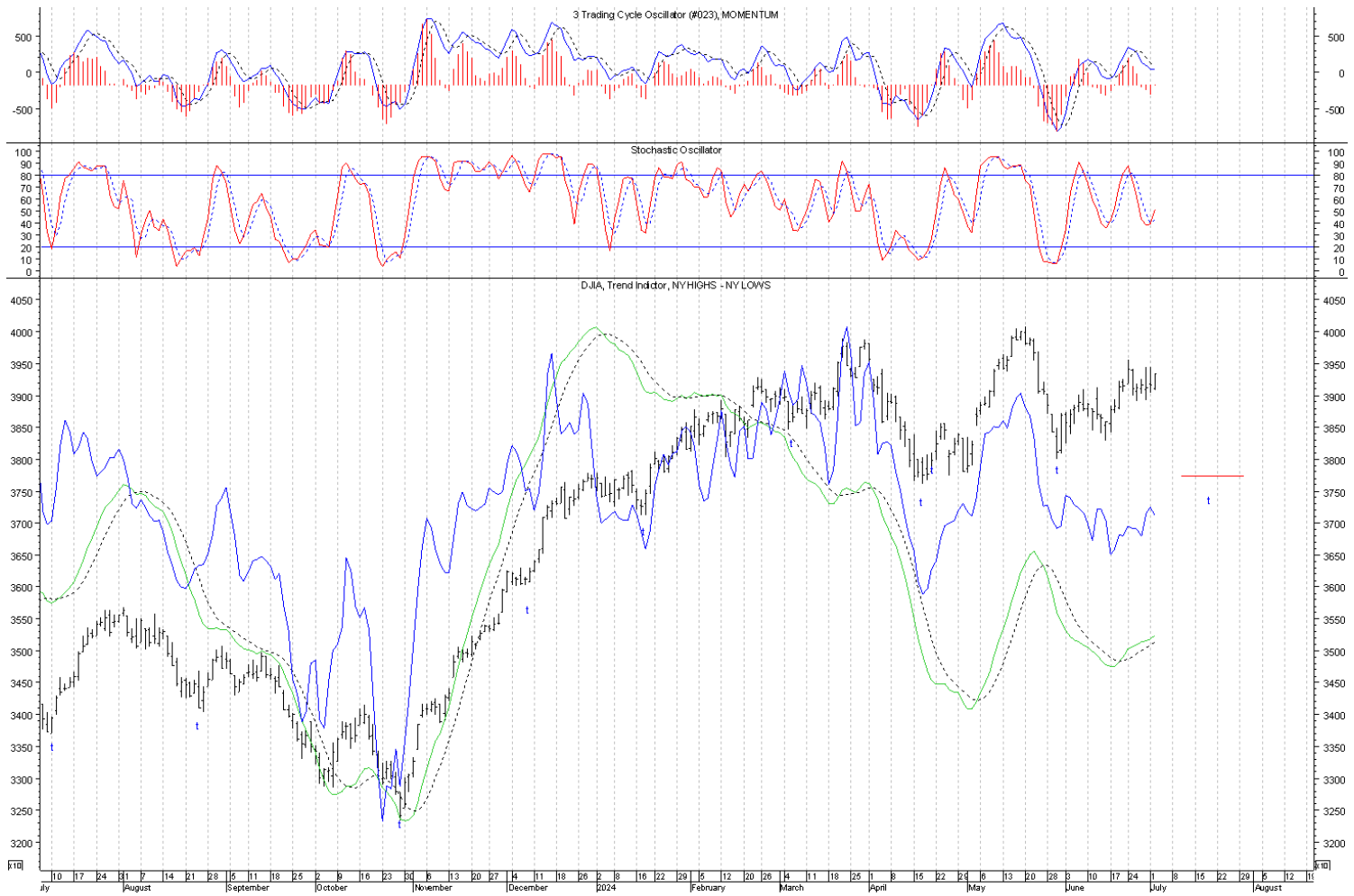
On Monday the Dollar completed the formation of a daily swing high and with the downturn of the daily CTI a short-term sell signal was triggered. But, because of the reversal off the low on Monday and with the price action on Tuesday completing the formation of another daily swing low, we need to see a close below Monday's low as confirmation of this questionable short-term sell signal.

The weakness in Bonds has continued as they have moved further into the timing band for the trading cycle low. Bottom line, Bonds should be at or near the trading cycle low and once another daily swing low and upturn of the daily CTI are seen, a short-term buy signal will be triggered and the trading cycle low should be in place.

The Intermediate-Term Advancing Issues Line, plotted in red, ticked back up on Tuesday, but the overall weakness and violation of the April low continues to be concerning. The Green MA continues its downturn below the Black MA. Generally there are two crossings below the Black MA in association with intermediate-term cycle tops, but given the ongoing struggling trading cycle advance, this downturn is also concerning. Confirmation of a failed and left-translated trading cycle top would have to be taken as a serious warning of the intermediate-term cycle top having been seen in conjunction with this crossing. More on this as this trading cycle advance develops. This remains an important juncture and again, the structure of the trading and intermediate-term cycles are key with regard to this crossing.

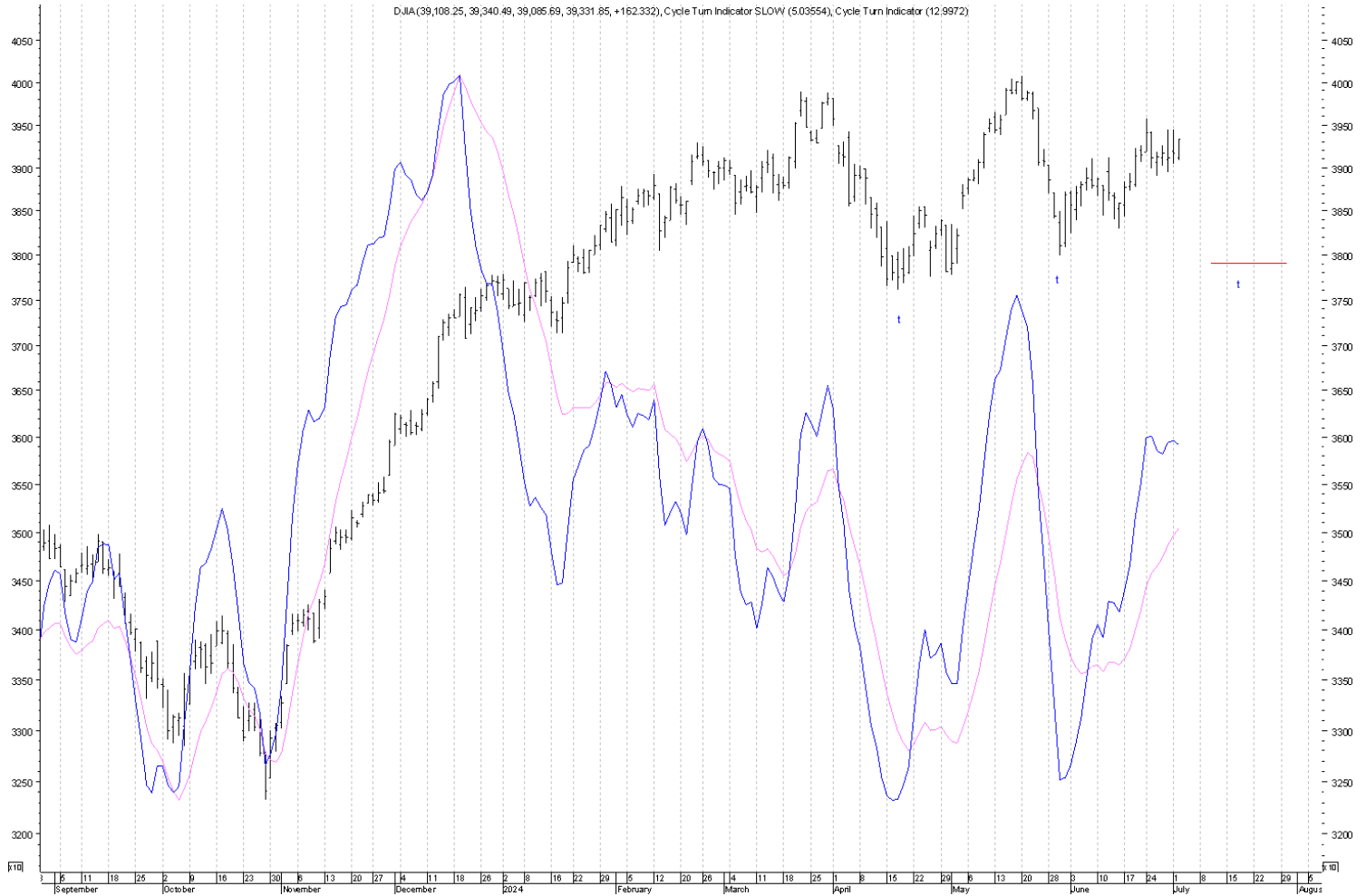


The **Trading Cycle Oscillator** in the upper window remains below its trigger line and the **Momentum Indicator** continues its downturn below its zero line. The **5 3 3 Stochastic** in the middle window has ticked up, which is suggestive of an additional push into the trading cycle top, which I would ideally like to see. The **New High/New Low Differential**, plotted with price, turned back down on Tuesday and the ongoing weakness here continues to be reflective of the struggling trading cycle advance. The **Trend Indicator** remains above its trigger line.

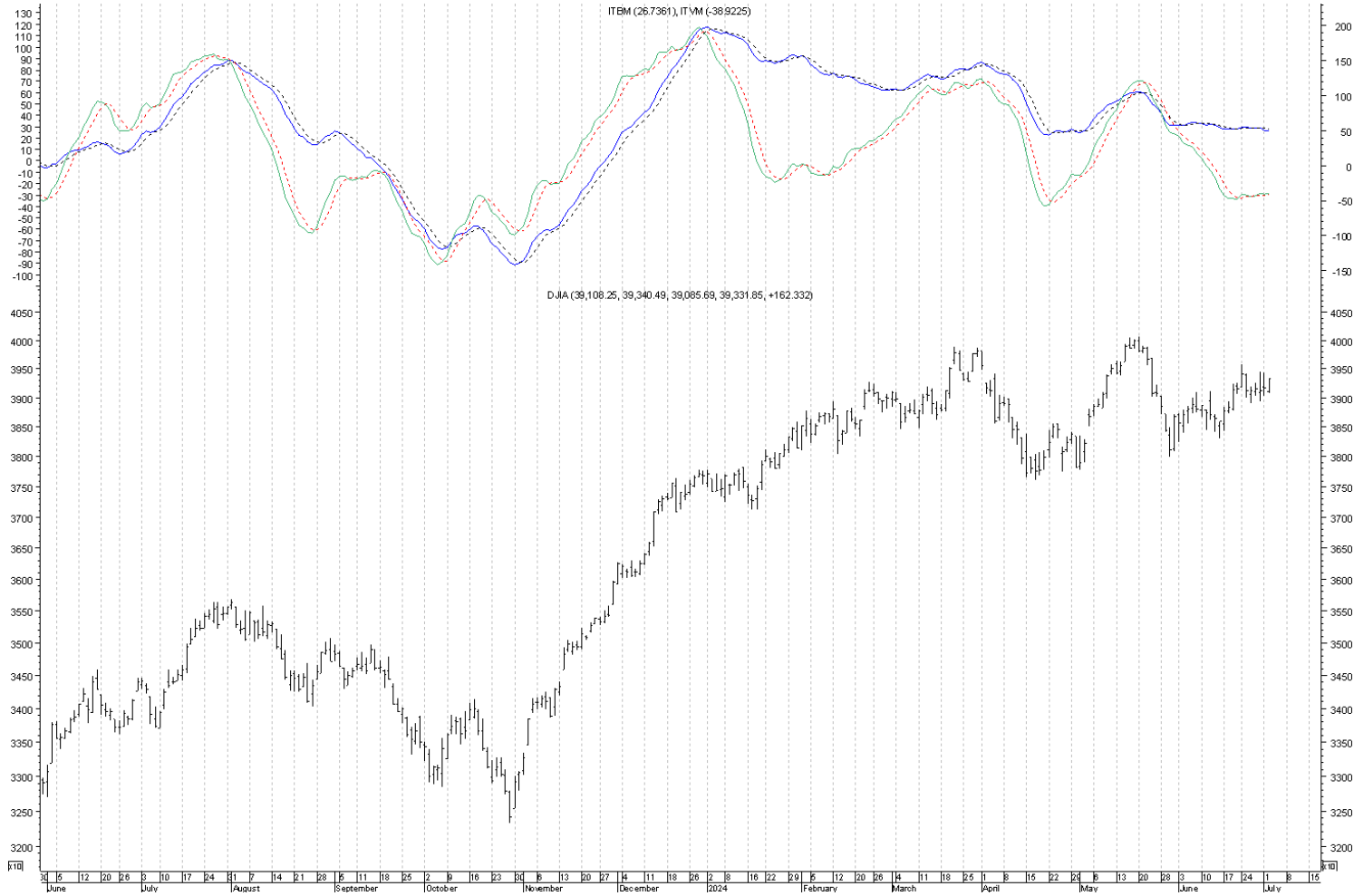


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

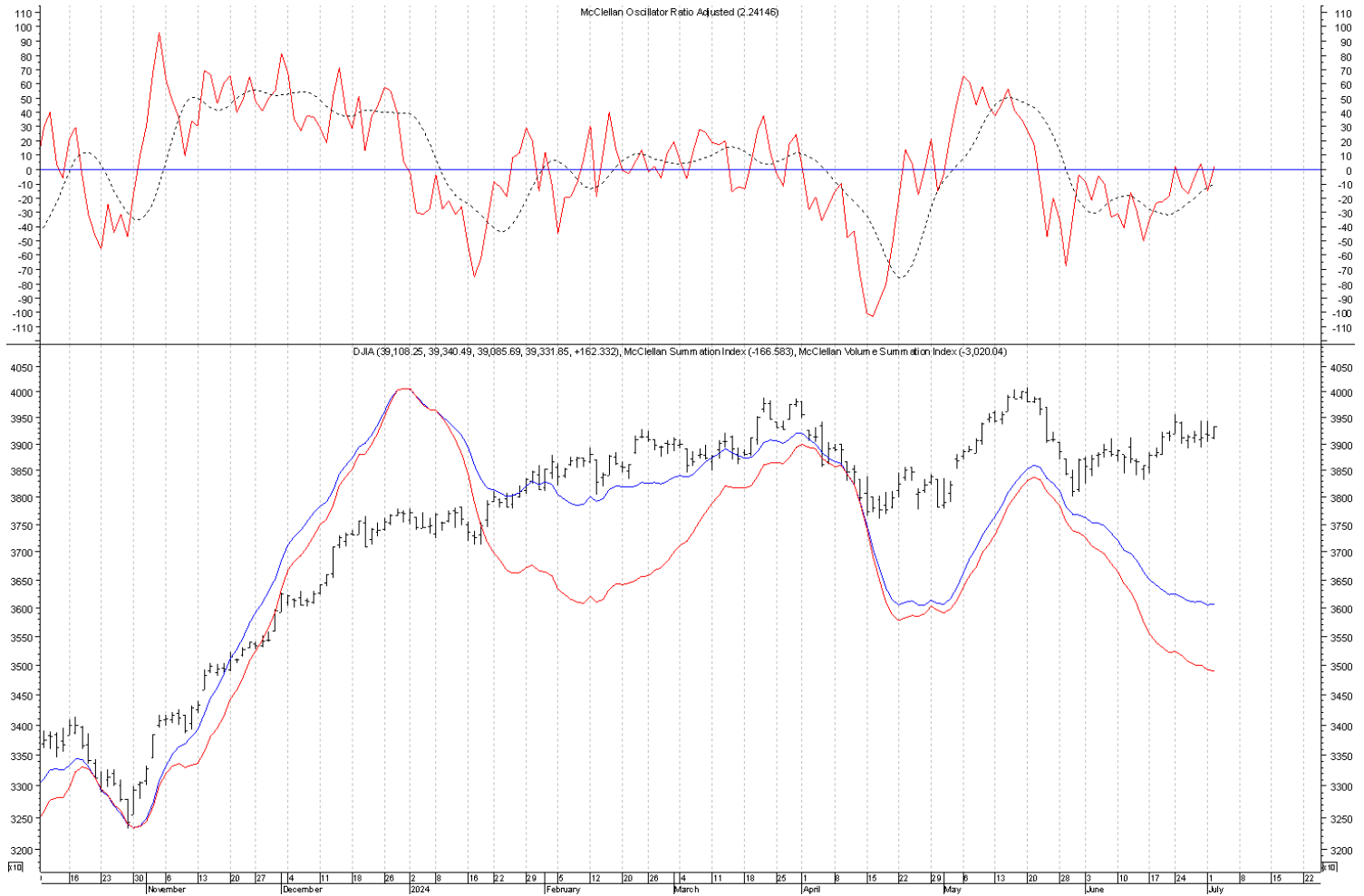
Bottom line, the short-term buy signal and advance out of the trading cycle low will remain intact until another daily swing high and downturn of ALL Three of the Primary Short-Term Indicators are seen and in order to mend the risk of a left-translated trading cycle top, the Industrials must better their June 24th daily swing high.



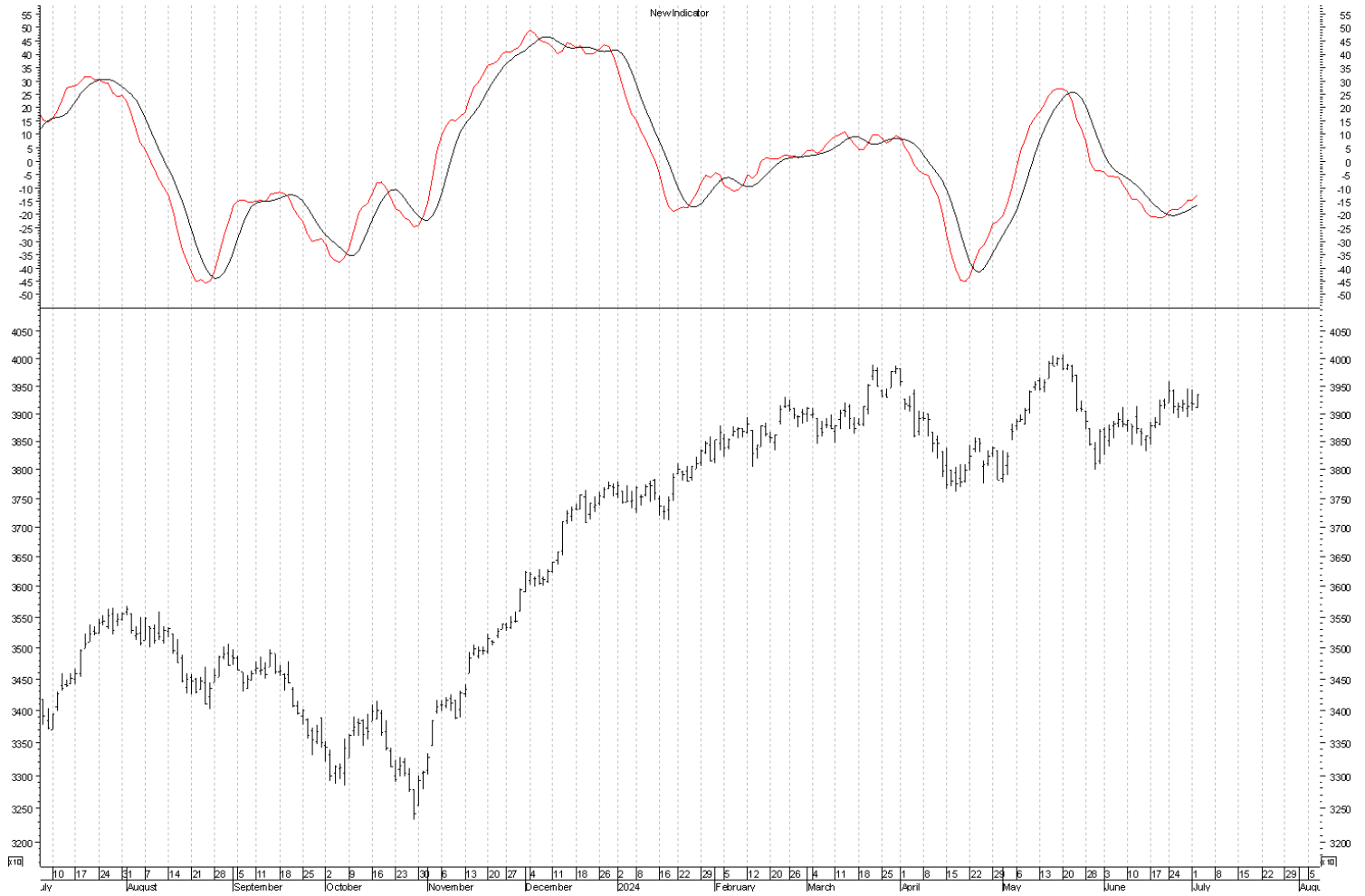
The **Intermediate Term Breadth Momentum Oscillator** has fallen back below its trigger line while the **Intermediate Term Volume Momentum Oscillator** remains marginally above its trigger line. Again, the ongoing weak performance here is reflective of the struggling trading cycle advance.



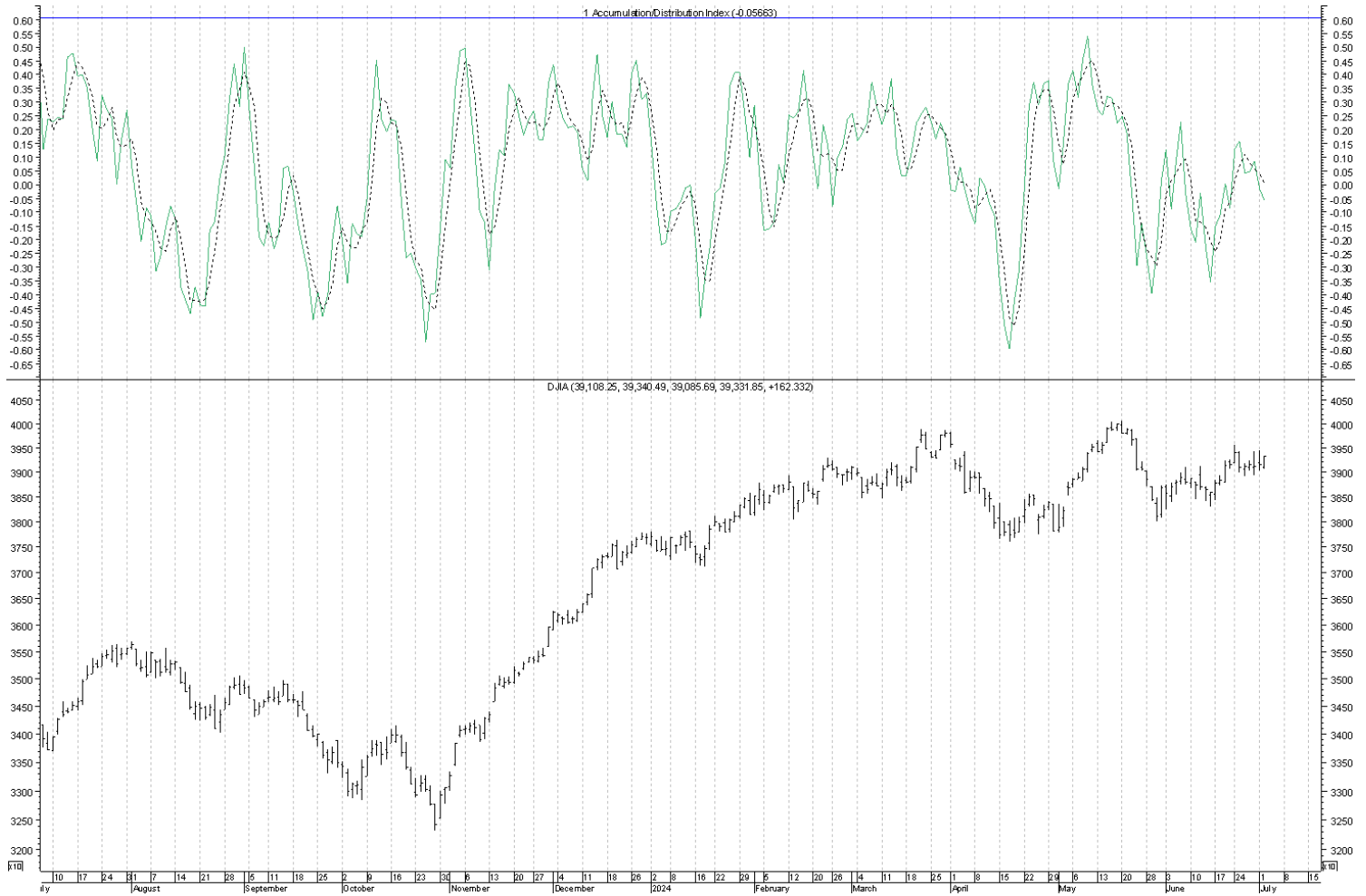
As of Friday we were seeing very modest upturns by both the **McClellan Summation Index** and the **McClellan Volume Summation Index**, but these upturns have since begun to fade, which here too, we have to read as being reflective of the struggling trading cycle advance. The **Ratio Adjusted McClellan Oscillator** in the upper window turned back down on Monday, but on Tuesday another uptick followed. Here too, the weak indicator performance tends to be reflective of the struggling trading cycle advance. A crossing back below the trigger and zero lines in conjunction with the triggering of a short-term sell signal will be suggestive of a left-translated trading cycle top.



The smoothed McClellan oscillator continues its delayed upturn, but a crossing back below the trigger line at this juncture would be suggestive of a failing and left-translated trading cycle top.



The **Accumulation/Distribution Index** has turned back down and in doing so, once again the weak oscillator performance is reflective of the struggling trading cycle advance.



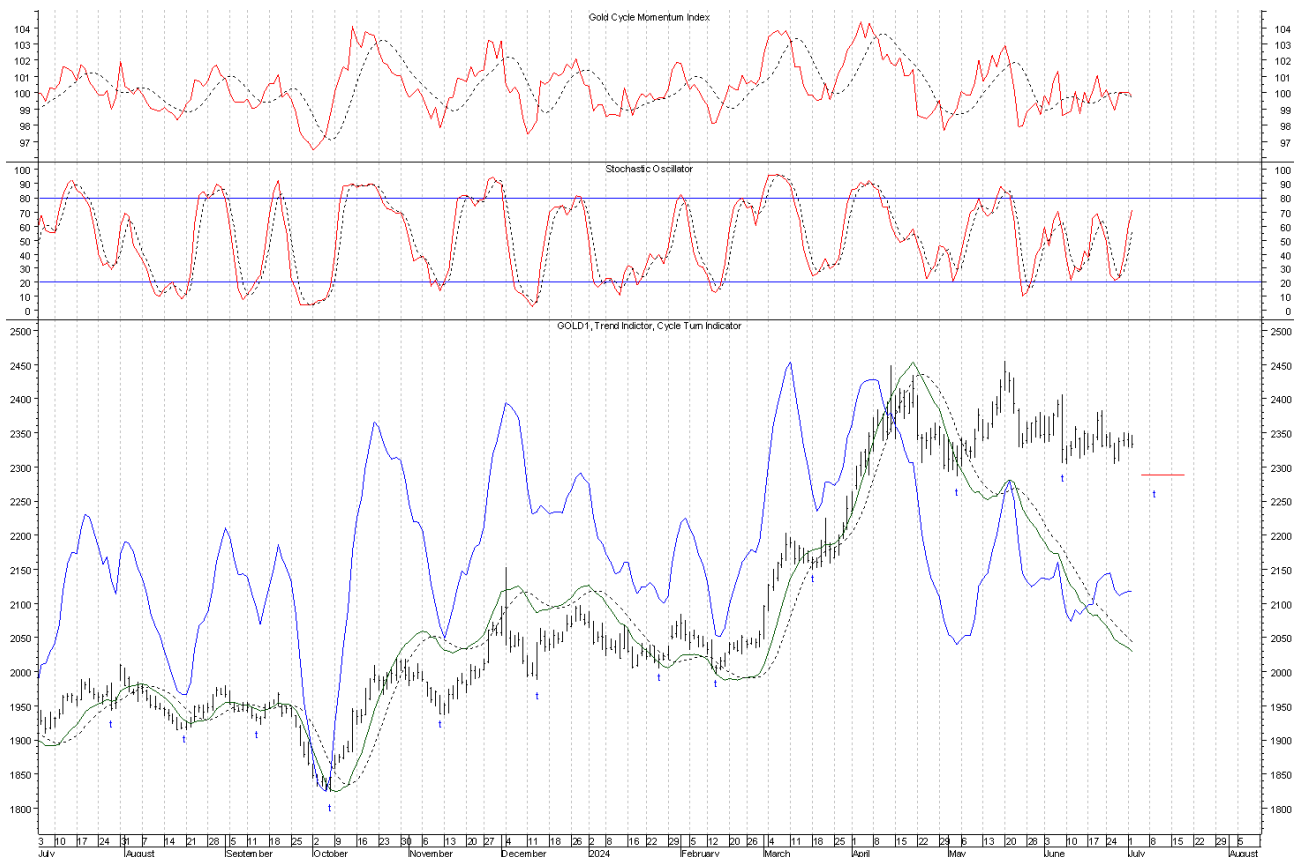
Gold

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	Bullish

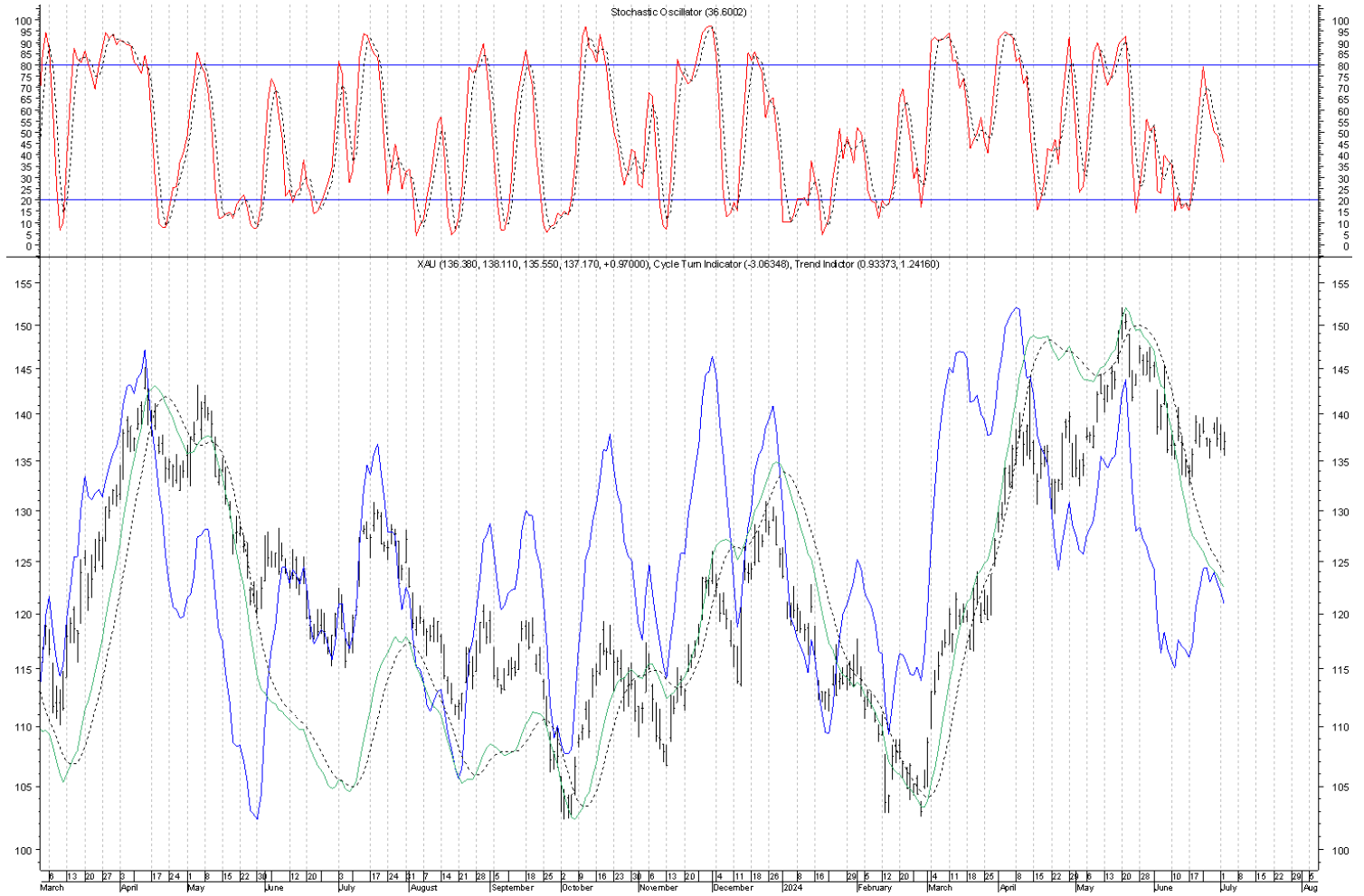
Daily Indicator Summary Short-Term Sell/Neutral	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bullish

Gold marginally completed the formation of a daily swing high on Tuesday and with the marginal downturn of the daily **CTI**, a marginal short-term sell signal was triggered. As confirmation of this signal I want to see a solid close below Tuesday's low. Structurally, Gold remains at risk of a left-translated trading cycle top and any further weakness that confirms this sell signal will be increasingly suggestive that a downturn out of a left-translated trading cycle top is taking hold. In order to correct this risk, we must see the June 21st daily swing high bettered. Otherwise, any continued weakness will leave Gold positioned to continue lower in association with a left-translated structure. The timing band for the next trading cycle low runs between **July 3rd and July 18th.**

Another daily swing low will be completed on Wednesday if 2,327.40 holds and if 2,346.10 is bettered.



Our daily chart of the XAU is next. Every indication continues to be that the trading cycle low was seen on June 17th and the expectation has been for the advance out of this low to be counter-trend. With the daily CTI having turned down, Monday's completion of a daily swing high triggered a short-term sell signal, which in doing so is an opportunity to cap this counter-trend advance. Structurally, the XAU remains at risk of a left-translated trading cycle top. Until evidence to the contrary is seen, we will assume that a left-translated trading cycle top has been seen. Another daily swing low will be completed on Wednesday if 135.55 holds and if 138.11 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 Sell**

Primary Indicators

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

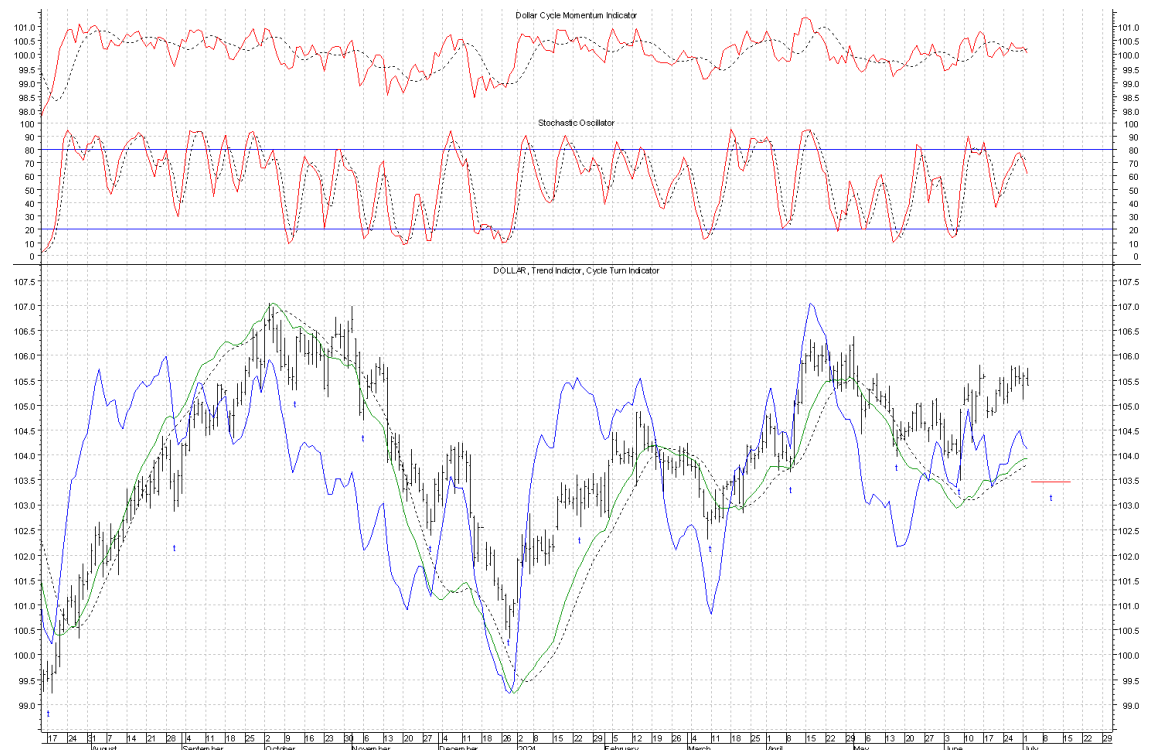
Confirming Indicators

Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish

Secondary Indicators

5 3 3 Stochastic	Bearish
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The Dollar remains at risk of a left-translated trading cycle top and the timing band for the now due trading cycle low runs between July 3rd and July 17th. On Monday the Dollar completed the formation of a daily swing high and with the downturn of the daily **CTI** a short-term sell signal was triggered. But, because of the reversal off the low on Monday and Tuesday's completion of another daily swing low, we need to see a close below Monday's low as confirmation of this short-term sell signal. As previously discussed, in order to correct the risk of a left-translated trading cycle we must see the June 14th daily swing high bettered. Otherwise, this risk will stand and upon confirmation of Monday's short-term sell signal it 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 confirmation 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, while questionable, Monday's short-term 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 105.74 is not bettered and if 105.40 is violated.

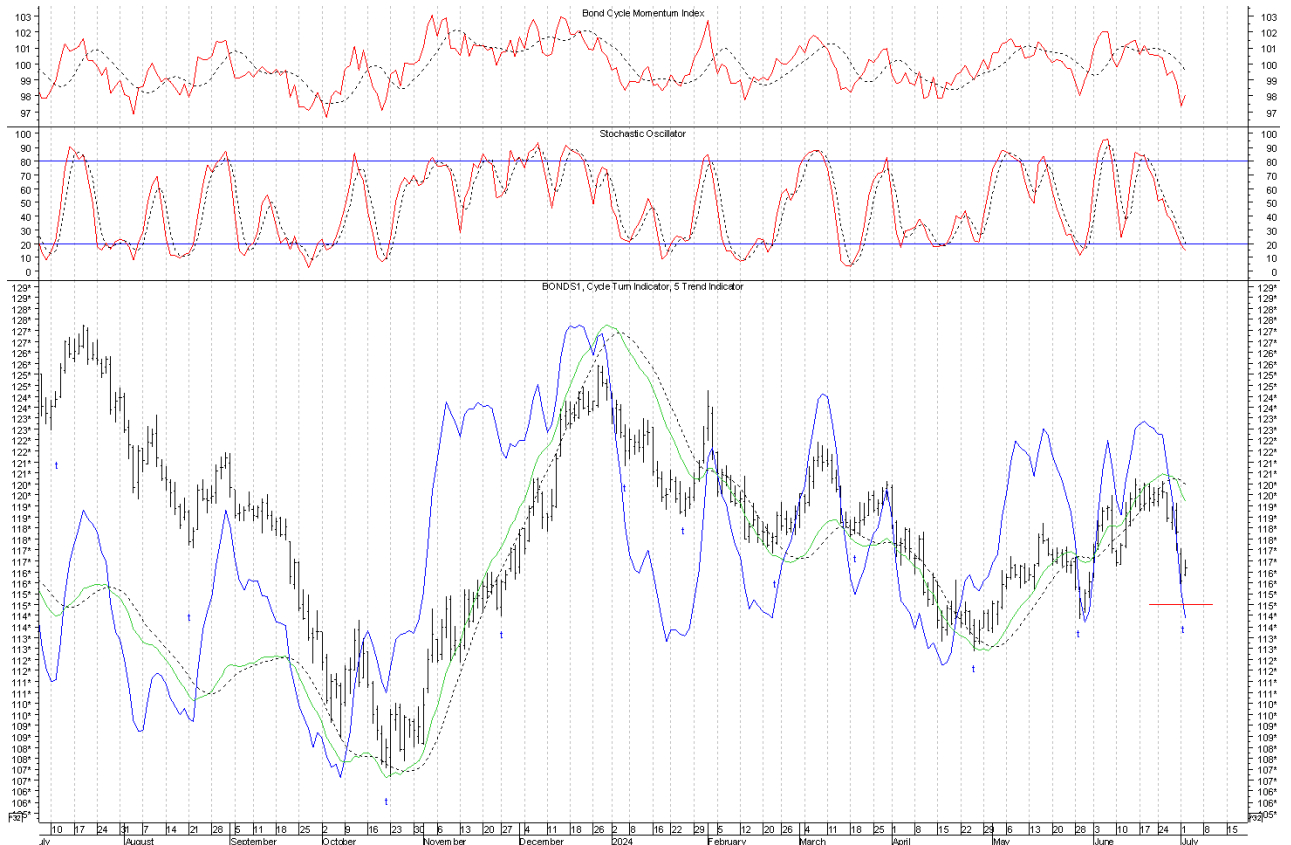


Bonds

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

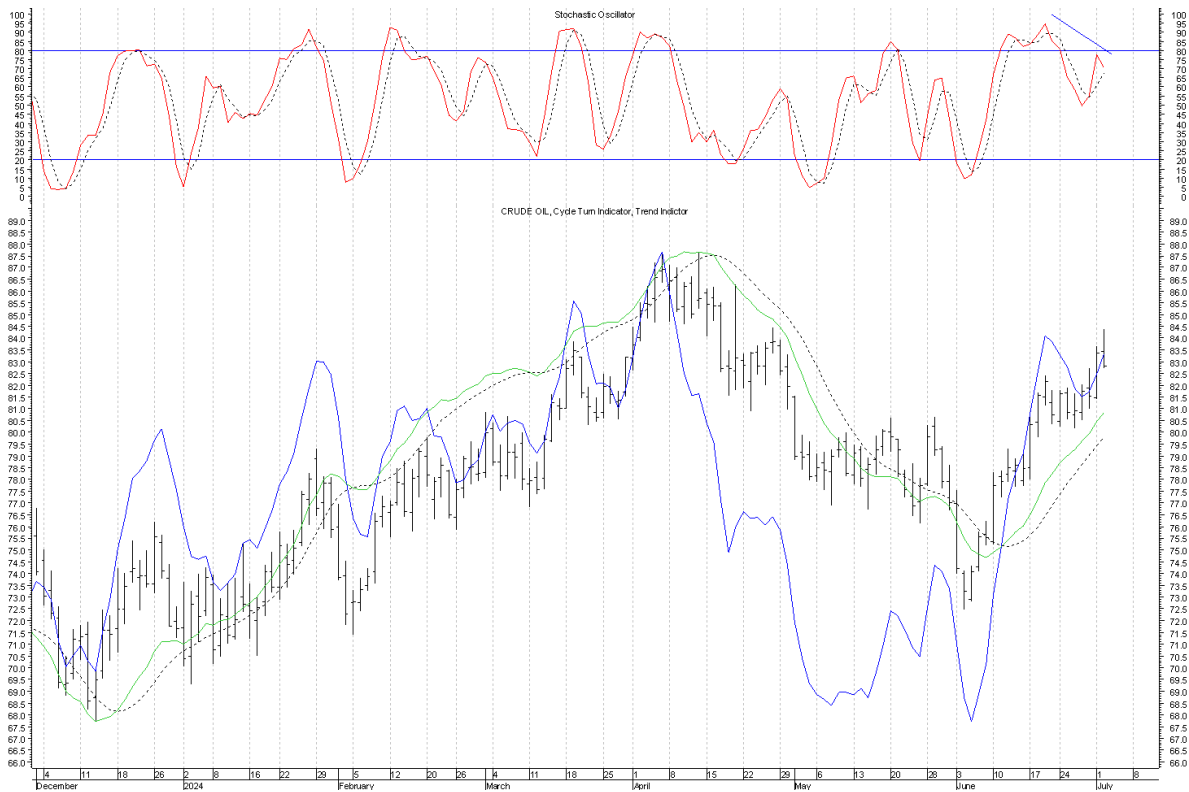
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bearish

No change with Bonds. The timing band for the now pending trading cycle low runs between June 19th and July 10th. This low should be at hand and with price having moved further into the timing band, once a daily swing low and upturn of the daily CTI are seen, this low should be in place. The expectation is for this decline into the trading cycle low to be counter-trend, followed by continued strength in conjunction with the current intermediate-term cycle advance and for it to be with this intermediate-term advance that we see increased pressure on rates as we move toward the rate cutting cycle. Bottom line, we should now be at or near the trading cycle low, which should be in place once a daily swing low and upturn of the daily CTI are seen.



Crude Oil

The price/oscillator picture has been suggestive of the trading cycle top and the expectation is for the advance in association with last Thursday's completion of a daily swing low to be an ending push into the trading cycle top. As a result of Tuesday's reversal lower, the price/oscillator picture is increasingly suggestive of this being the case. Any further weakness on Wednesday that completes the formation of a daily swing high in conjunction with a downturn of the daily **CTI** will trigger another short-term sell signal in association with what should ideally be the trading cycle top. If the decline out of the pending trading cycle top completes the formation of a weekly swing high, then we will have a structural footing to cap this intermediate-term counter-trend advance as well. For now, the price/oscillator picture continues to be suggestive of a trading cycle top, but the June 28th 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 Wednesday if 84.38 is not bettered and if 82.72 is violated.



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