

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 9, 2024

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

July 9, 2024

**Stocks**

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
CTI on Rydex Tempest Fund *	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Advance/Decline Issues Diff	Bullish
New High New Low Diff	Bearish
<b>Secondary Indicators</b>	
5 3 3 Stochastic	Bullish
Cycle Momentum Indicator	Bullish
*When this indicator is Bullish it is negative for the market and visa versa.	

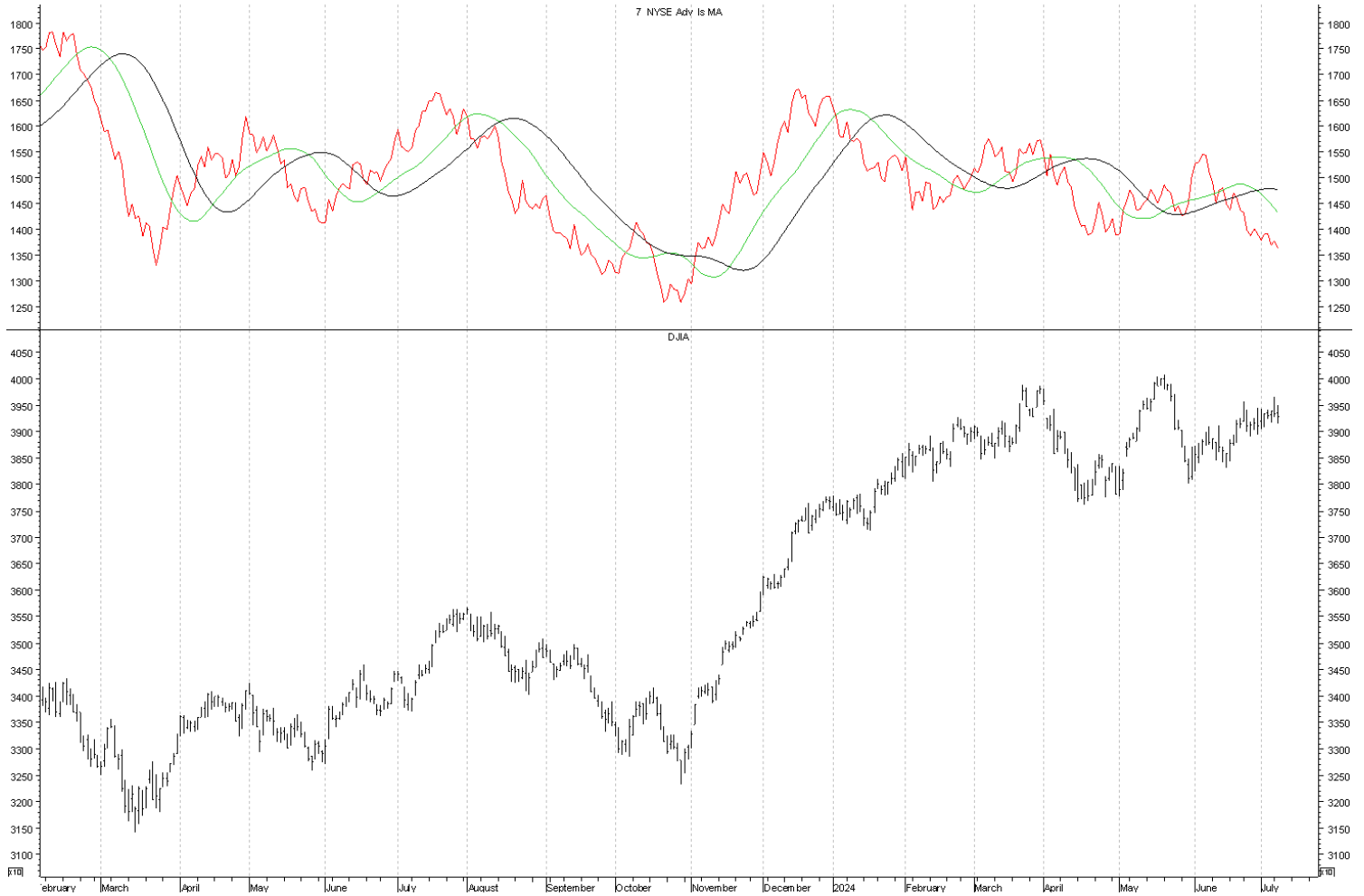
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Slow Cycle Turn Indicator (CTI)	Bullish
New High/New Low Differential	Bearish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
McClellan Intermediate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

The trading cycle low on the Industrials was seen on May 30th and the timing band for the pending trading cycle low runs between July 10th and July 30th. On Monday the Industrials bettered the June 24th daily swing high and in doing so the current trading cycle is now right-translated. At a higher level, with the May 20th high not having been bettered in conjunction with this trading cycle advance, the higher degree intermediate-term cycle remains at risk of a left-translated top. However, with a right-translated trading cycle now in hand, the decline into the now due trading cycle low should ideally prove to be a counter-trend retest of the May 30th trading cycle low. Assuming this to be the case, from the pending trading cycle low the Industrials will be positioned for another trading cycle up, which I would ideally like to see carry the Industrials above their May 20th high in conjunction with a continued advance of the higher degree intermediate-term cycle. It has been with this next trading cycle advance that I have been looking to for the capping of this intermediate-term cycle and the setup with the CheckMate Chart to take hold. While this expectation has not yet changed, an unforeseen violation of the May 30th trading cycle low in conjunction

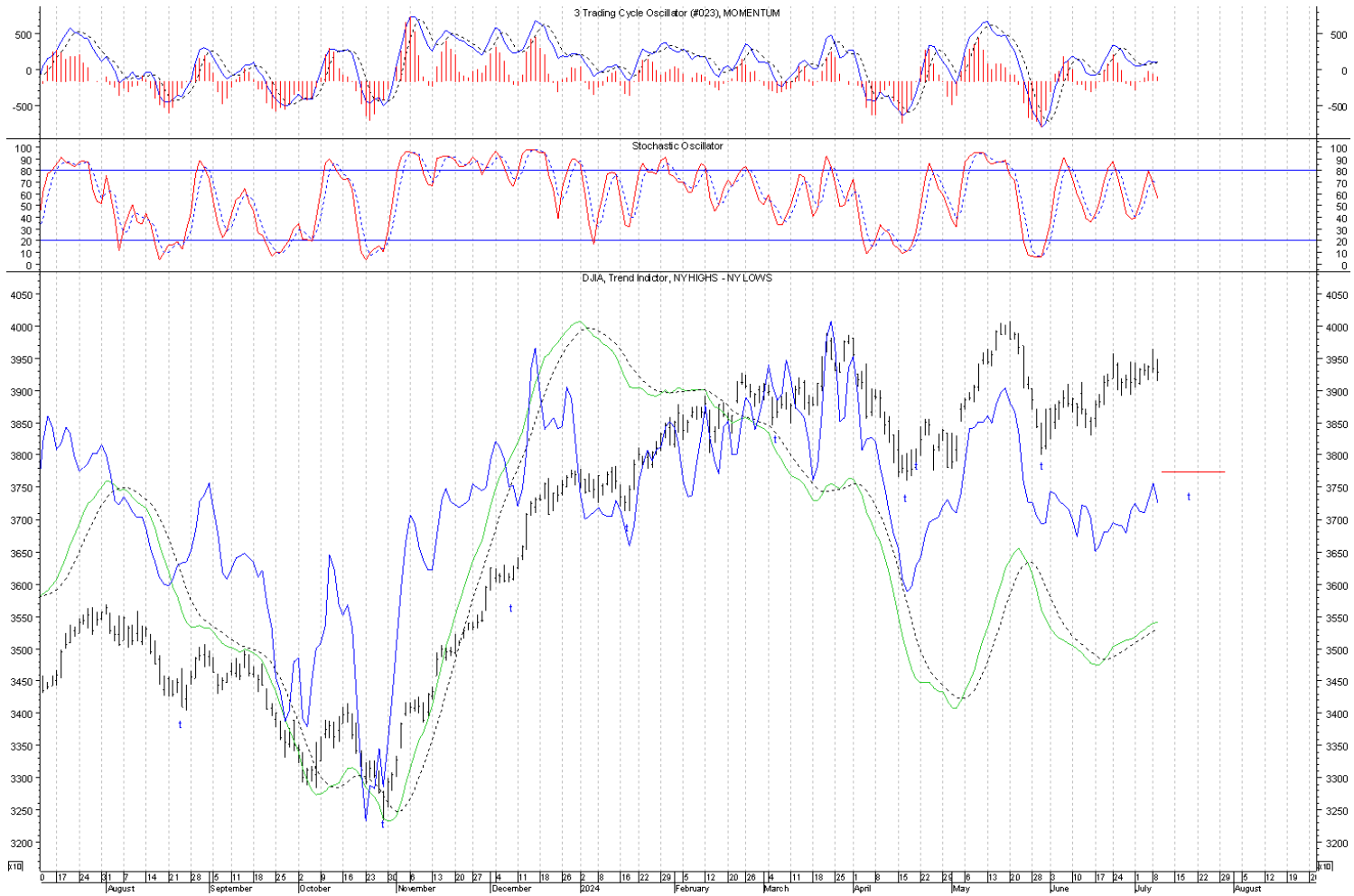
with the pending trading cycle low will be suggestive of a left-translated intermediate-term cycle top and that the higher degree setup has begun taking hold in a slightly different form. In the short-term, the price/oscillator picture is without question ripe for the trading cycle top, which should be in place once a daily swing high AND downturn of ALL Three of the Primary Short-Term Indicators are seen. Any further strength at this point should be in association with an ending push into the trading cycle top whereas any further weakness that triggers a short-term sell signal should serve as confirmation of the trading cycle top. The decline into the trading cycle low is now key. More on that as the decline into the trading cycle low takes hold.

The price/oscillator picture on Crude Oil had been ripe for the trading cycle top and with the completion of a daily swing high and downturn of the daily CTI on Monday, a short-term sell signal in association with that top was triggered. At a higher level, this trading cycle top is also an opportunity to cap the higher degree intermediate-term cycle top as well. Gasoline triggered a short-term sell signal on Monday and here too, every indication is that the trading cycle top has been seen. As with Crude Oil, 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 as well. The short-term sell signal on Natural Gas remains intact and at a higher level the evidence continues to be suggestive of the intermediate-term cycle top having also been seen and that the counter-trend advance has run its course. The expectation was for the recent advance on the CRB Index to be counter-trend. On Monday a short-term sell signal was triggered and we now have a weekly swing high also in the making. The price/oscillator picture is ripe for the trading cycle top, which should be in place once a short-term sell signal is triggered. If the decline out of the trading cycle top completes the formation of a weekly swing high, it will be suggestive of a left-translated intermediate-term cycle top. The short-term buy signal on the XAU also remains intact and here too, once a short-term sell signal is triggered it will be indicative of the trading cycle top. As with Gold, if the decline out of the trading cycle top completes the formation of a weekly swing high, it will put the XAU at risk of a left-translated intermediate-term cycle top. The Dollar triggered a short-term buy signal on Tuesday and until proven otherwise the assumption is that the trading cycle low has been seen. If not, any additional weakness should be in association with an ending push into the trading cycle low. This trading cycle advance will now serve as a test of the intermediate-term cycle top. Bonds completed the formation of a daily swing high on Tuesday, but the short-term buy signal remains intact. The expectation is for further strength in association with the advance out of the higher degree intermediate-term, seasonal and suspected 3-year cycle lows. It is also expected that it will be in conjunction with this intermediate-term cycle advance that we see interest rates come under increased pressure in association with the initiation of the rate cutting cycle.

The Intermediate-Term Advancing Issues Line, plotted in red, ticked back down on Friday and the overall weakness and violation of the April low continues to be indicative of the weak trading and intermediate-term cycle advance. The Green MA continues its downturn below the Black MA and while there are generally two crossings below the Black MA in association with intermediate-term cycle tops, given the ongoing struggling trading cycle advance, this downturn continues to be a noteworthy development in that a violation of the May 30th trading cycle low would be suggestive of a left-translated intermediate-term cycle top and that the higher degree setup is taking a different form more akin to the 2000 top. This remains an important juncture.

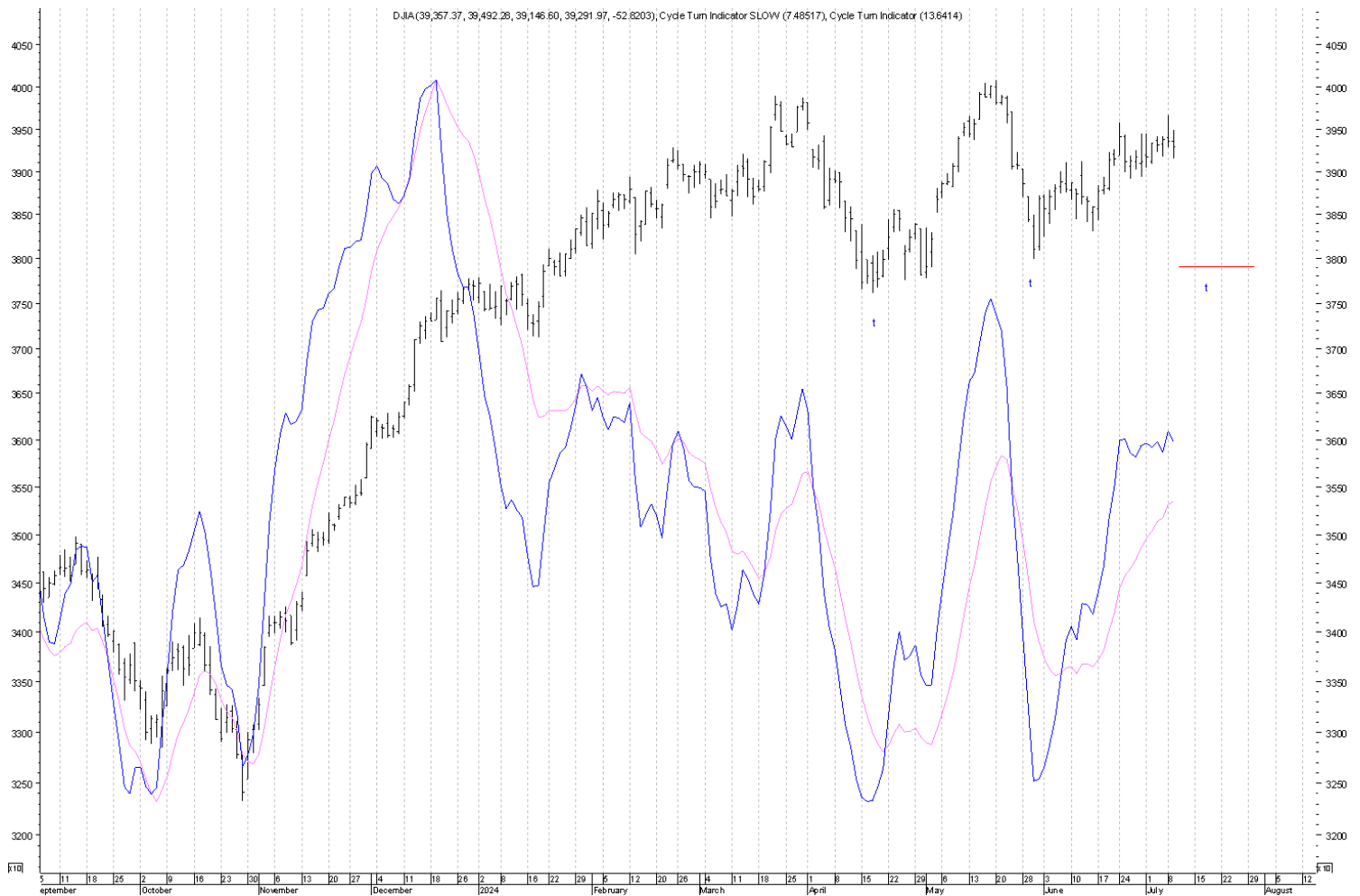


The **Trading Cycle Oscillator** in the upper window remains marginally above its trigger line and the **Momentum** Indicator remains marginally above its zero line. The **5 3 3 Stochastic** in the middle window has turned down from overbought levels. The **New High/New Low Differential**, plotted with price, has also turned back down. Collectively, these oscillators are suggestive of the now pending trading cycle top, which should be in place once a short-term sell signal is triggered. The **Trend Indicator** remains above its trigger line.

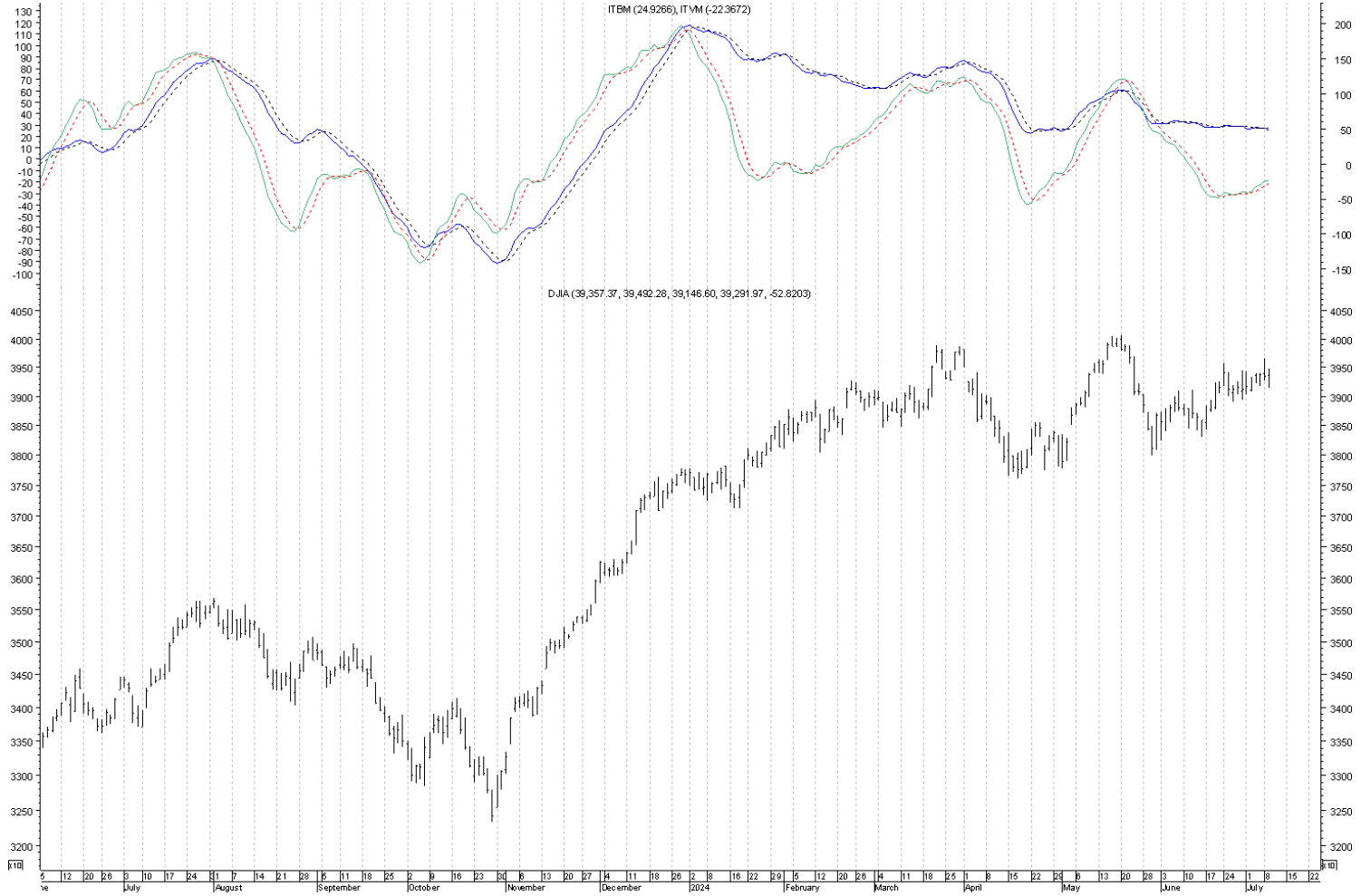


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

**Bottom line, the trading cycle top should now be at hand, but the short-term buy signal and advance out of the trading cycle low will remain intact until a daily swing high AND downturn of ALL Three of the Primary Short-Term Indicators are seen. Any further weakness that triggers a short-term sell signal should serve as confirmation of the trading cycle top whereas any addition strength should be in association with an ending push into the trading cycle top.**

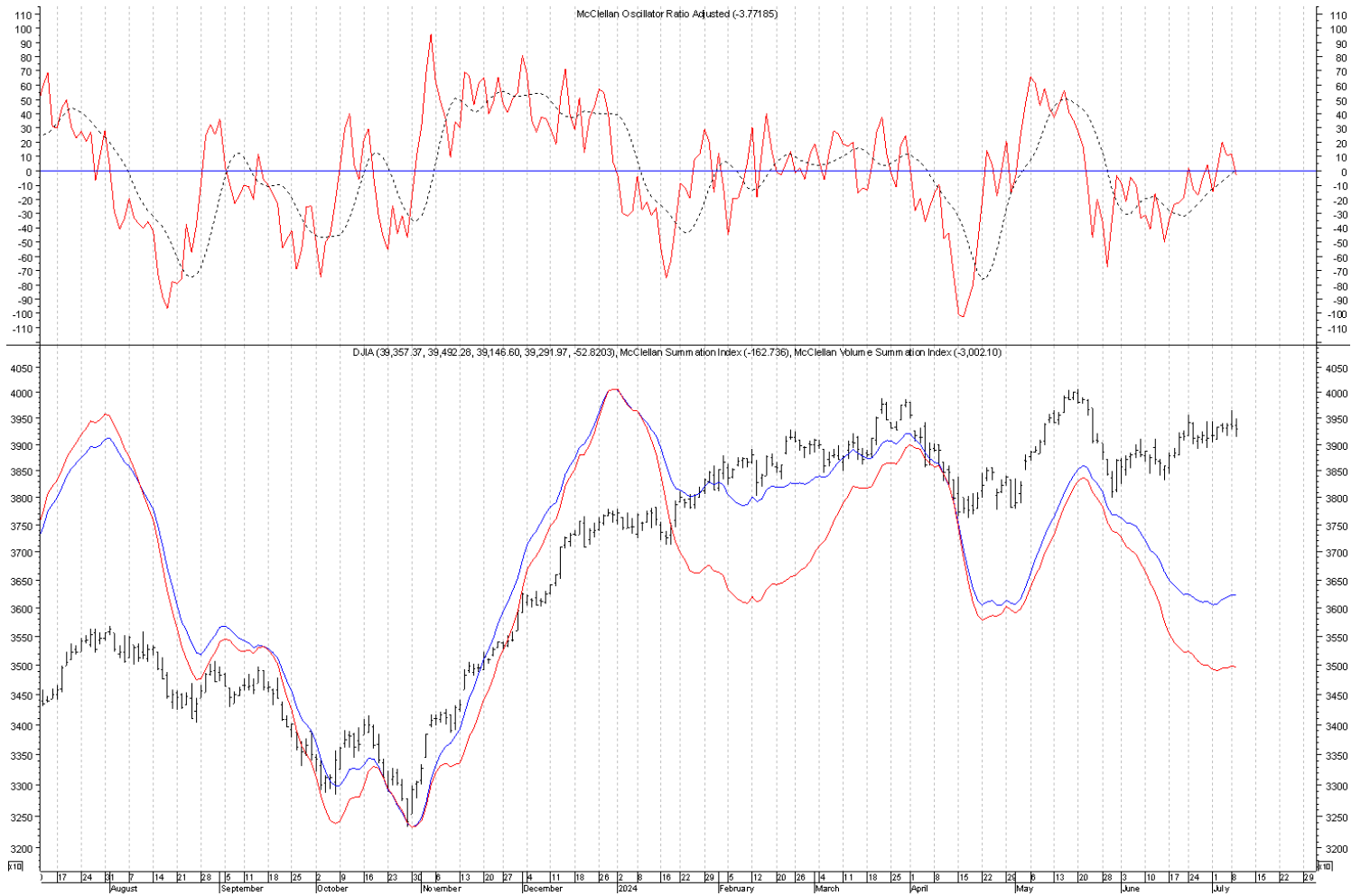


The **Intermediate Term Breadth Momentum Oscillator** has turned marginally back below its trigger line while the **Intermediate Term Volume Momentum Oscillator** continues its upturn. The ongoing poor performance here continues to be reflective of the struggling trading cycle advance.

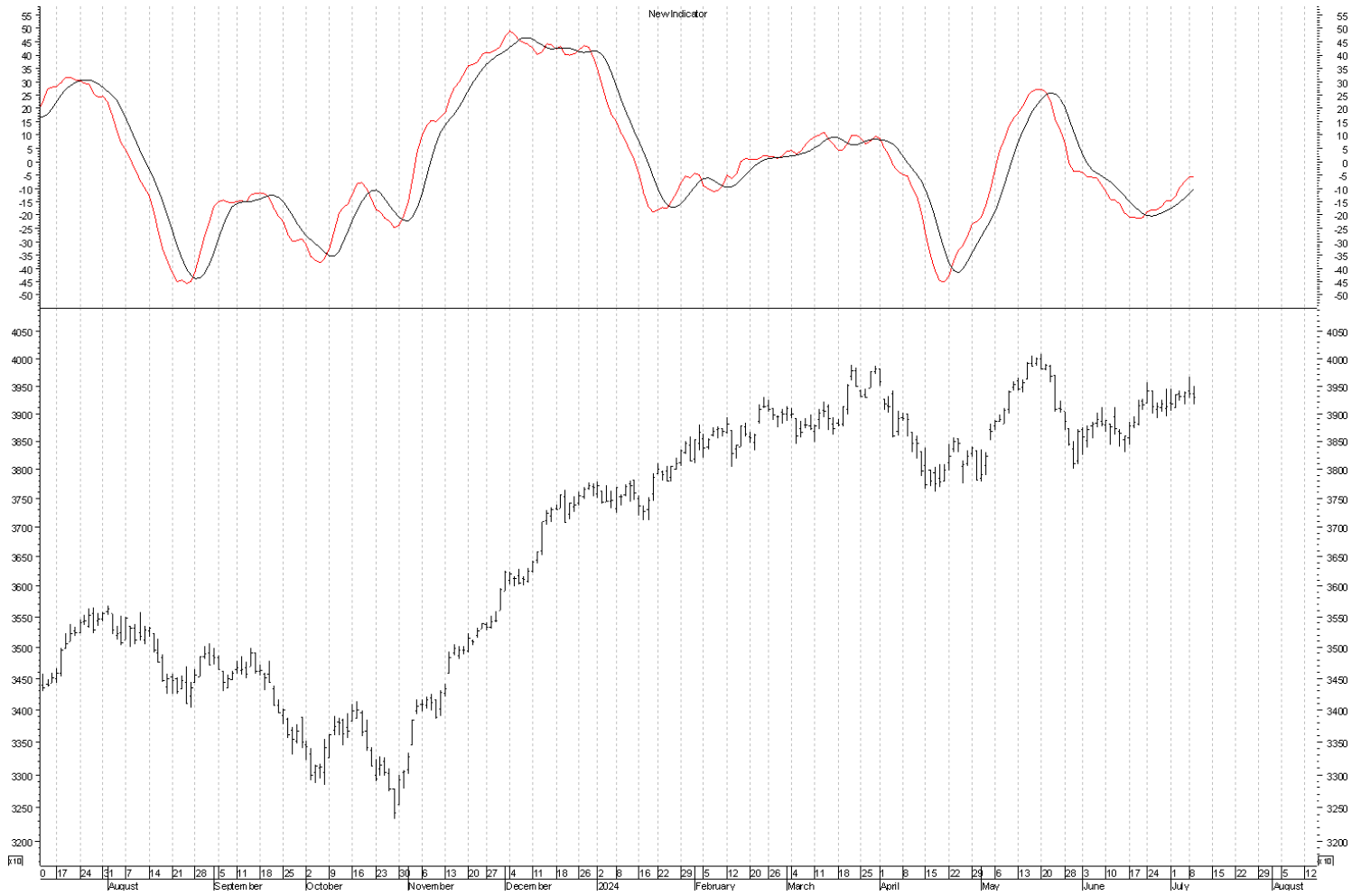




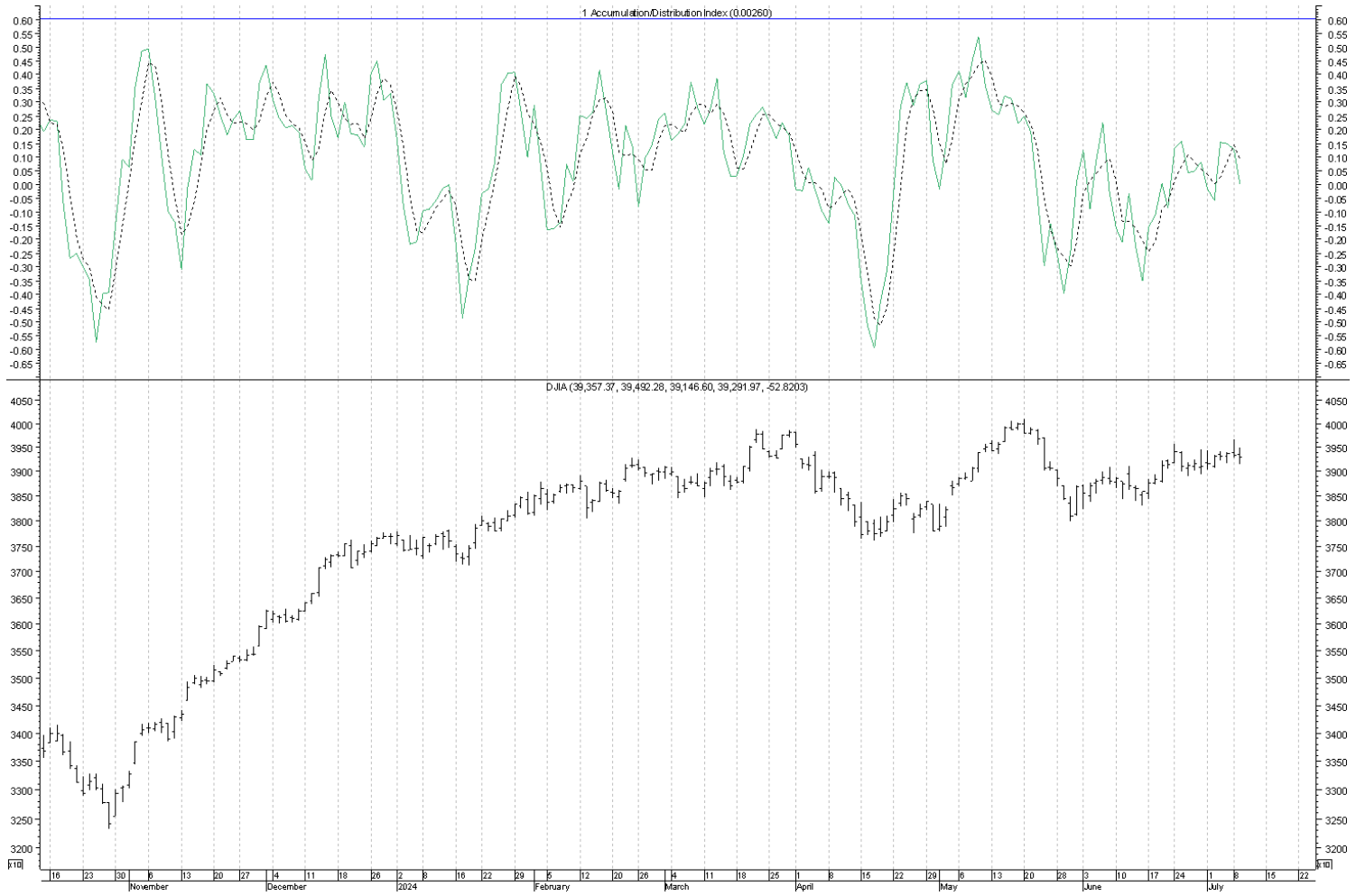
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** have ticked ever so slightly lower and the overall weakness of these indicators also continues to be reflective of the struggling trading cycle advance. The **Ratio Adjusted McClellan Oscillator** in the upper window has turned back below both its trigger and zero lines, which is also reflective of what should be the trading cycle top. The triggering of a short-term sell signal in conjunction with a crossing below the trigger and zero lines should serve as confirmation of the short-term sell signal and the trading cycle top.



The smoothed McClellan oscillator continues its delayed upturn. A crossing back below the trigger line will be suggestive of the trading cycle top.



The **Accumulation/Distribution Index** has turned back down and given the overall price/oscillator picture, this downturn is also suggestive of the trading cycle top, which should be in place once a short-term sell signal is triggered.

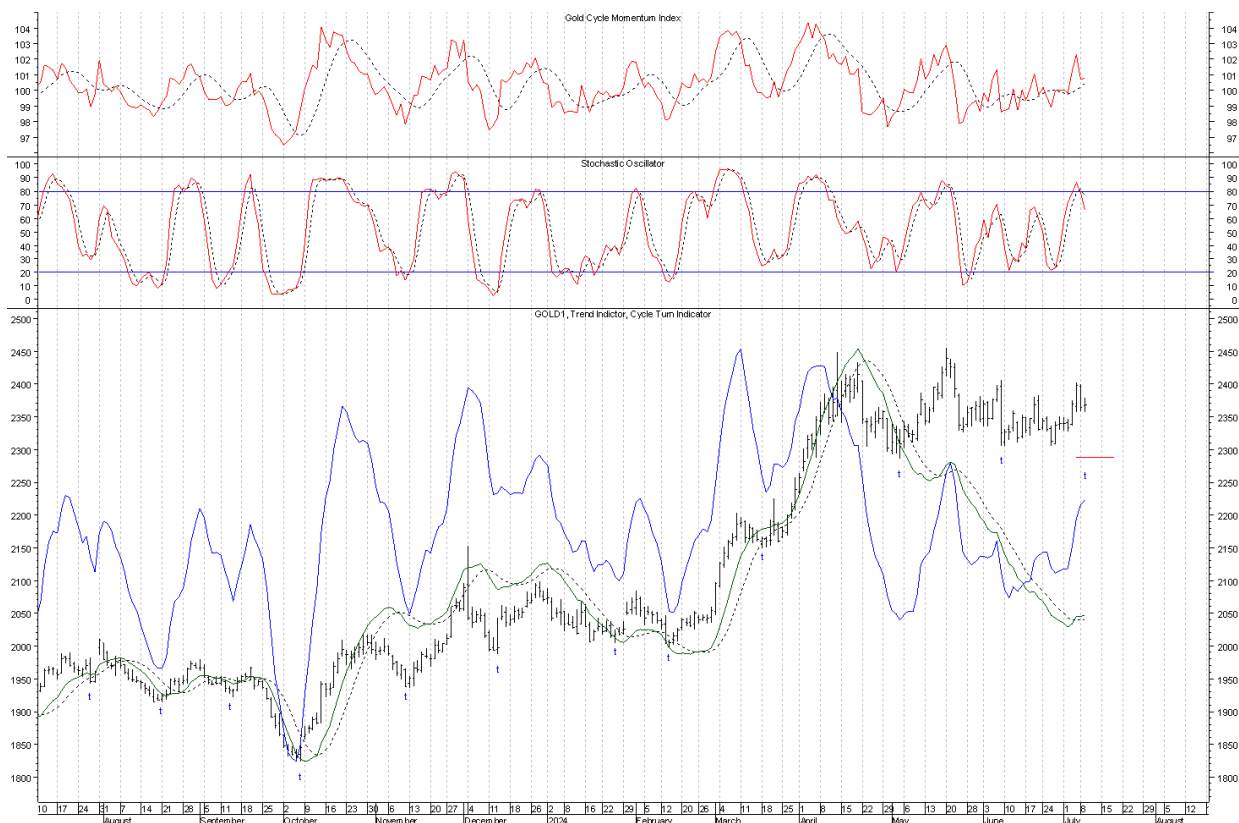


# Gold

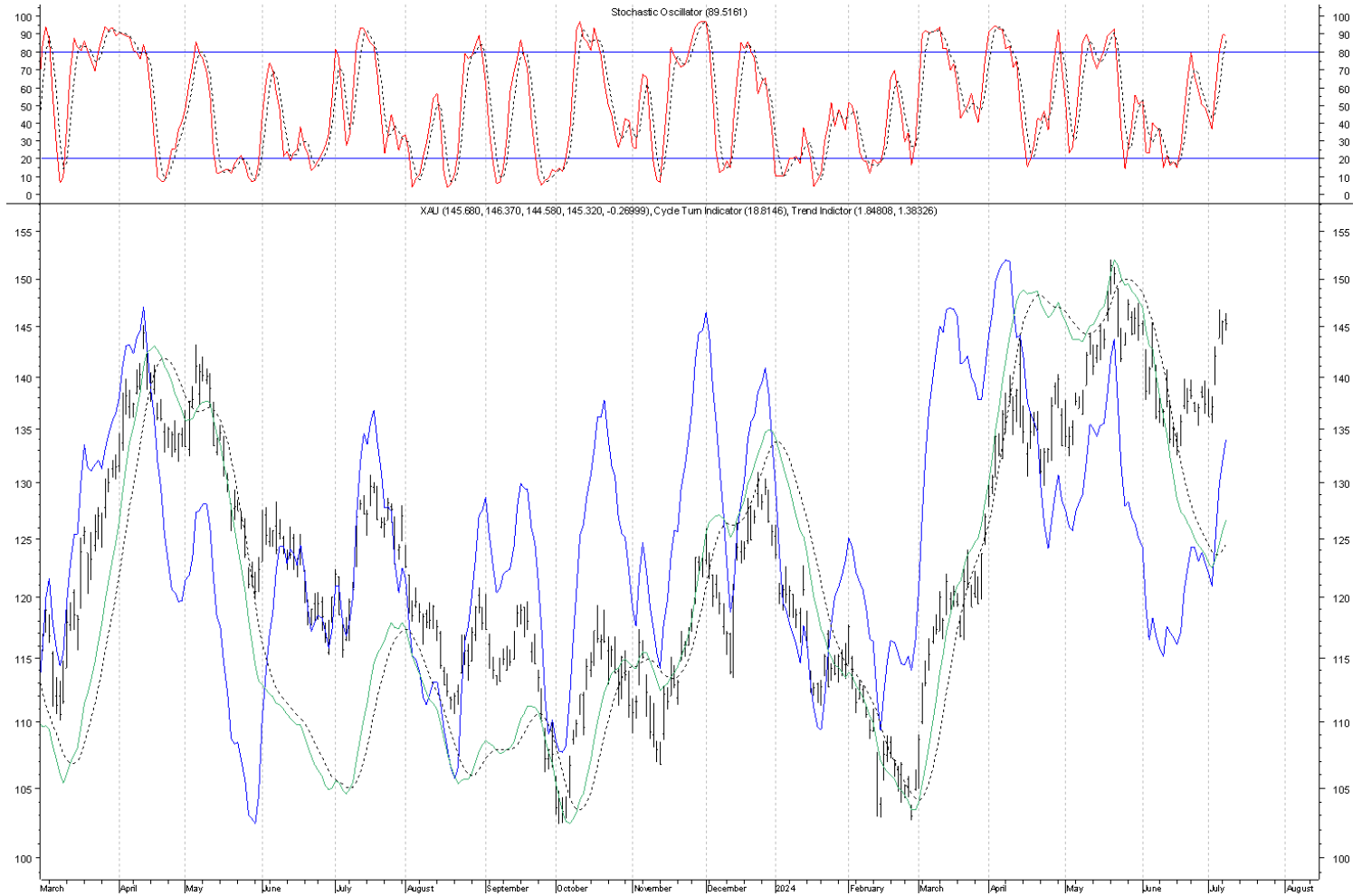
End of Week Intermediate-Term Indicator Summary <b>Intermediate-Term Sell</b>	
<b>Primary Indicators</b>	
Formation of a Weekly Swing High	Bearish
Cycle Turn Indicator (CTI)	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish
<b>Secondary Indicators</b>	
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 timing band for the now due trading cycle low runs between July 3rd and July 18th. With Monday and Tuesday being inside days with respect to Friday's price bar, there have been no changes at this level. The price/oscillator picture is suggestive of the trading cycle top and any further weakness that triggers a short-term sell signal should be in association with that top. Once a daily swing high and downturn of the daily CTI are seen, a short-term sell signal will be triggered. If the decline out of the trading cycle top completes the formation of a weekly swing high it will put Gold at risk of a left-translated intermediate-term cycle top. A daily swing high will be completed on Wednesday if 2,401.50 is not bettered and if 2,356.00 is violated.



**Our daily chart of the XAU is next and the short-term buy signal and advance out of the June 17th trading cycle low remains intact, but with this advance having carried the 5 3 3 Stochastic to overbought levels, the price/oscillator picture has ripened for the trading cycle top here as well. This advance continues to serve as a retest of the intermediate-term cycle top and 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 146.37 is not bettered and if 144.58 violated.**



## Dollar

### End of Week Intermediate-Term Indicator Summary **Intermediate-Term Buy/Neutral**

#### Primary Indicators

Formation of a Weekly 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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### Daily Indicator Summary **Short-Term Buy**

#### Primary Indicators

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

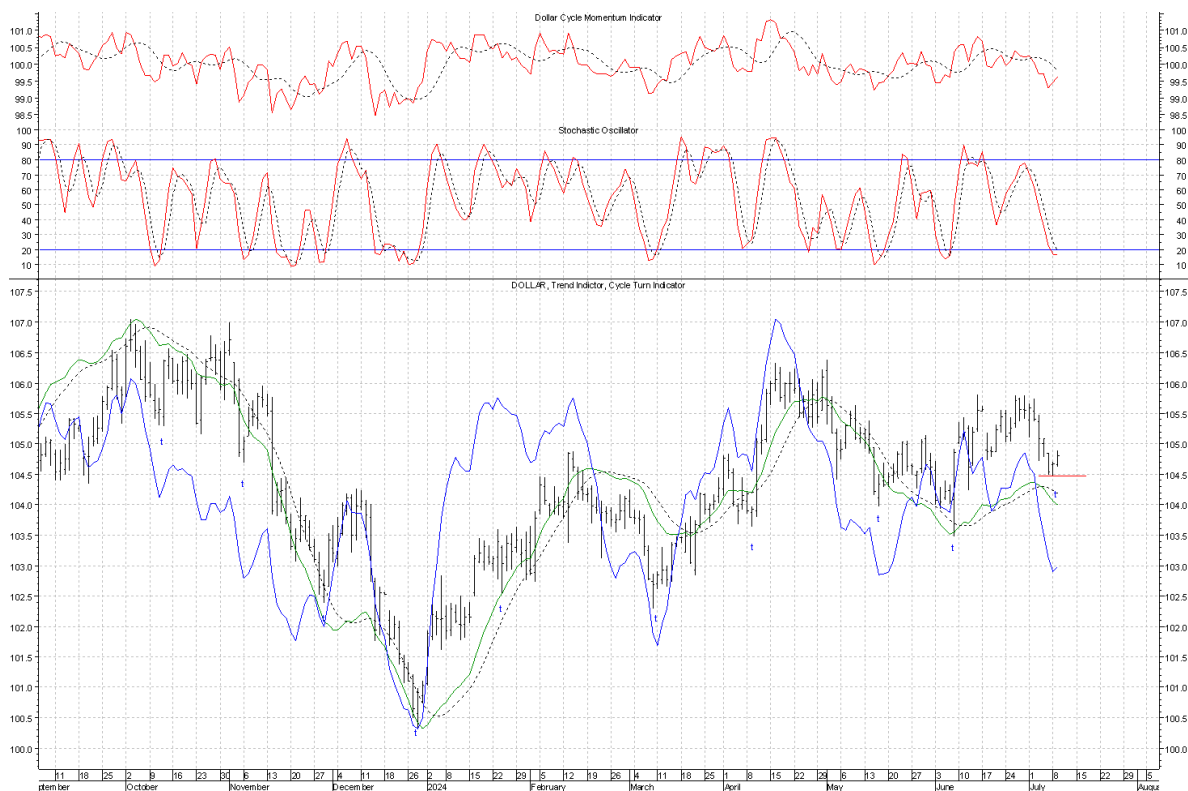
#### Confirming Indicators

Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish

#### Secondary Indicators

5 3 3 Stochastic	Bearish
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The timing band for the trading cycle low runs between July 3rd and July 17th. I would like to have seen continued weakness as we moved further into the timing band for this low, but with the completion of a daily swing low and upturn of the daily **CTI** on Tuesday, we have to assume this low to now be in place. Any further advance should serve as confirmation of such whereas any additional weakness should be in conjunction with an ending push into this low. It will now be the advance out of this trading cycle low that will serve as a test of the higher degree intermediate-term cycle top. More on that as this trading cycle advance unfolds. This 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 Wednesday if 104.89 is not bettered and if 104.62 is violated.

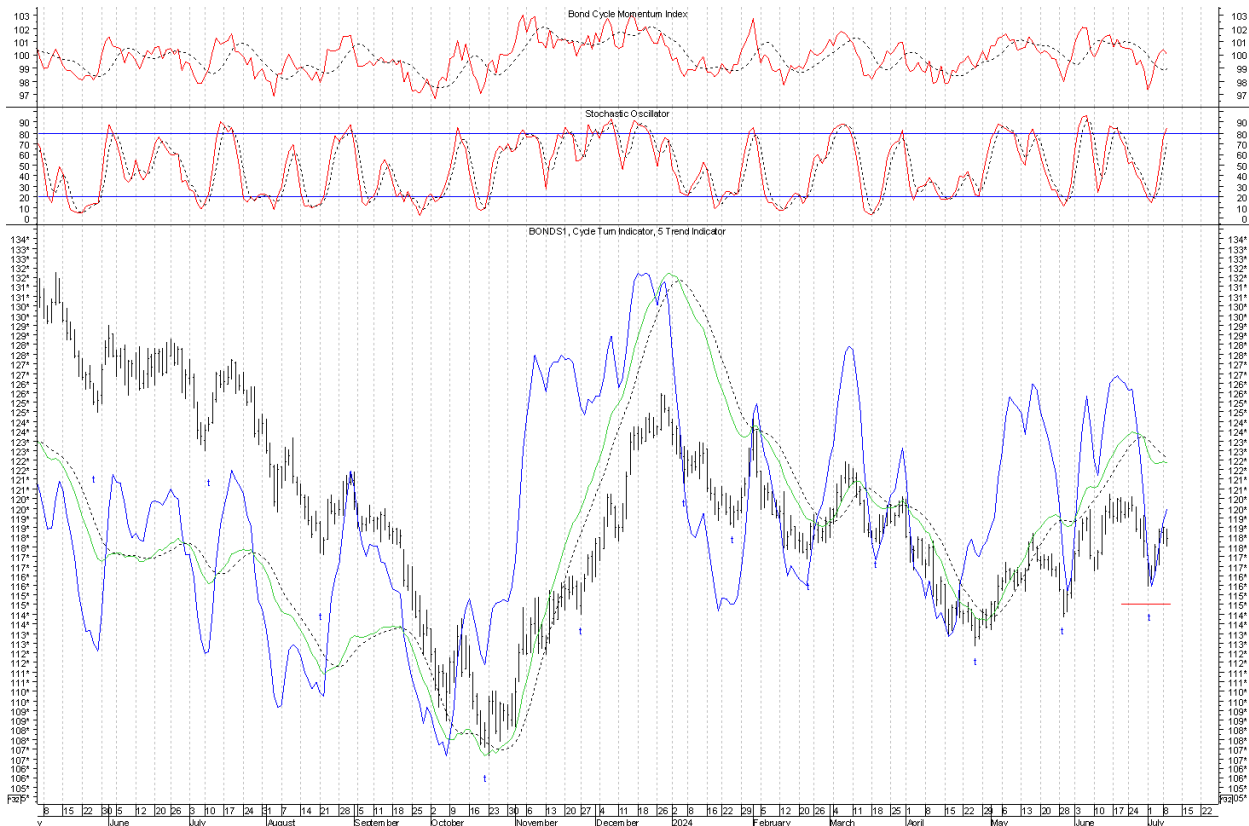


## Bonds

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

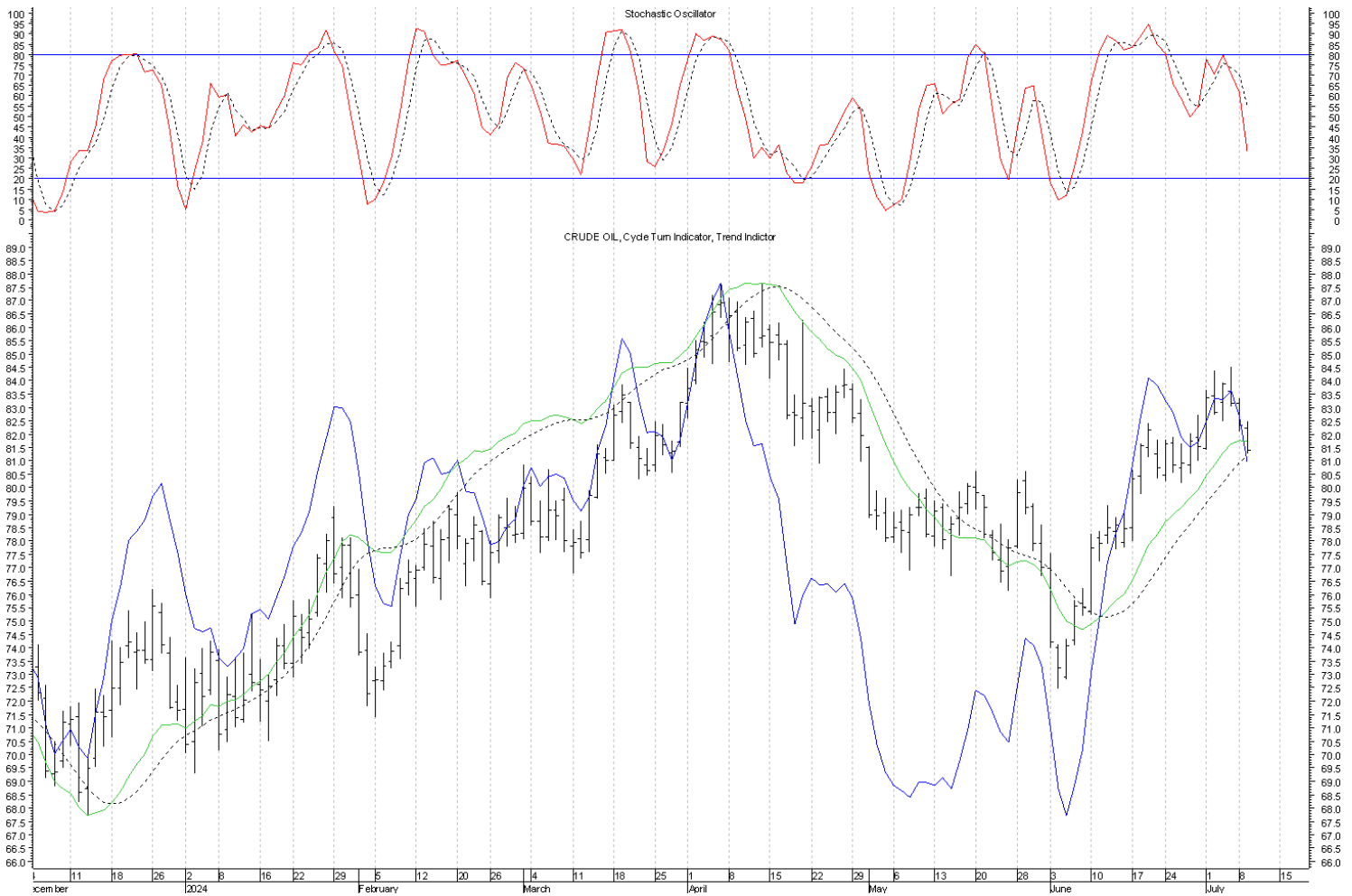
Daily Indicator Summary <b>Short-Term Buy</b>	
<b>Primary Indicators</b>	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bullish
<b>Confirming Indicators</b>	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
<b>Secondary Short Term Indicators</b>	
5 3 3 Stochastic	Bullish

The timing band for the current trading cycle low runs between June 19th and July 10th. This low was seen on July 1st and in spite of Tuesday's completion of a daily swing high, the short-term buy signal in association with this trading cycle advance remains intact. The expectation is for this trading cycle advance to continue higher with a right-translated structure in association with the higher degree intermediate-term cycle 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. To see a left-translated trading cycle advance would be suggestive that something else is going on. This short-term buy signal will remain intact until another daily swing high and downturn of the daily **CTI** are seen.



## Crude Oil

The price/oscillator picture has been suggestive of the trading cycle top and per the parameters given in the weekend update, the price action on Monday completed the formation of a daily swing high triggering a short-term sell signal. In doing so, every indication is that the trading cycle top has been seen. With a weekly swing high also in the making, we have a structural footing to also cap the higher degree intermediate-term counter-trend advance as well. More on that as this trading cycle decline develops. For now, 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 low will be completed on Wednesday if 81.25 holds and if 82.48 is bettered.



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