

Tim W. Wood's

Cycles News & Views

Specializing in Dow Theory and Cycles Analysis



1545 Gulf Shores Pkwy, PMB #251 • Gulf Shores, Alabama 36542 • 504-208-9781 • www.cyclesman.net

Cycle Turn Indicator Direction and Swing Summary of Select Markets as of the close on July 25, 2024

Market	Daily CTI	Daily Swing	Weekly CTI	Weekly Swing
Industrial	Negative	Low	Positive	High
Transports	Negative	Low	Positive	High
NDX	Negative	High	Negative	High
S&P Inverse Fund	Positive	N/A	Negative	High
CRB Index	Negative	High	Negative	High
Gold	Negative	High	Negative	High
XAU	Negative	High	Negative	High
Dollar	Positive	High	Negative	Low
Bonds	Negative	Low	Negative	High
Crude Oil	Negative	High	Negative	High
Unleaded	Negative	High	Negative	High
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 25, 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)	Bullish
Advance/Decline Issues Diff	Bullish
New High New Low Diff	Bullish
Secondary Indicators	
5 3 3 Stochastic	Bullish
Cycle Momentum Indicator	Bullish
*When this indicator is Bullish it is negative for the market and visa versa.	

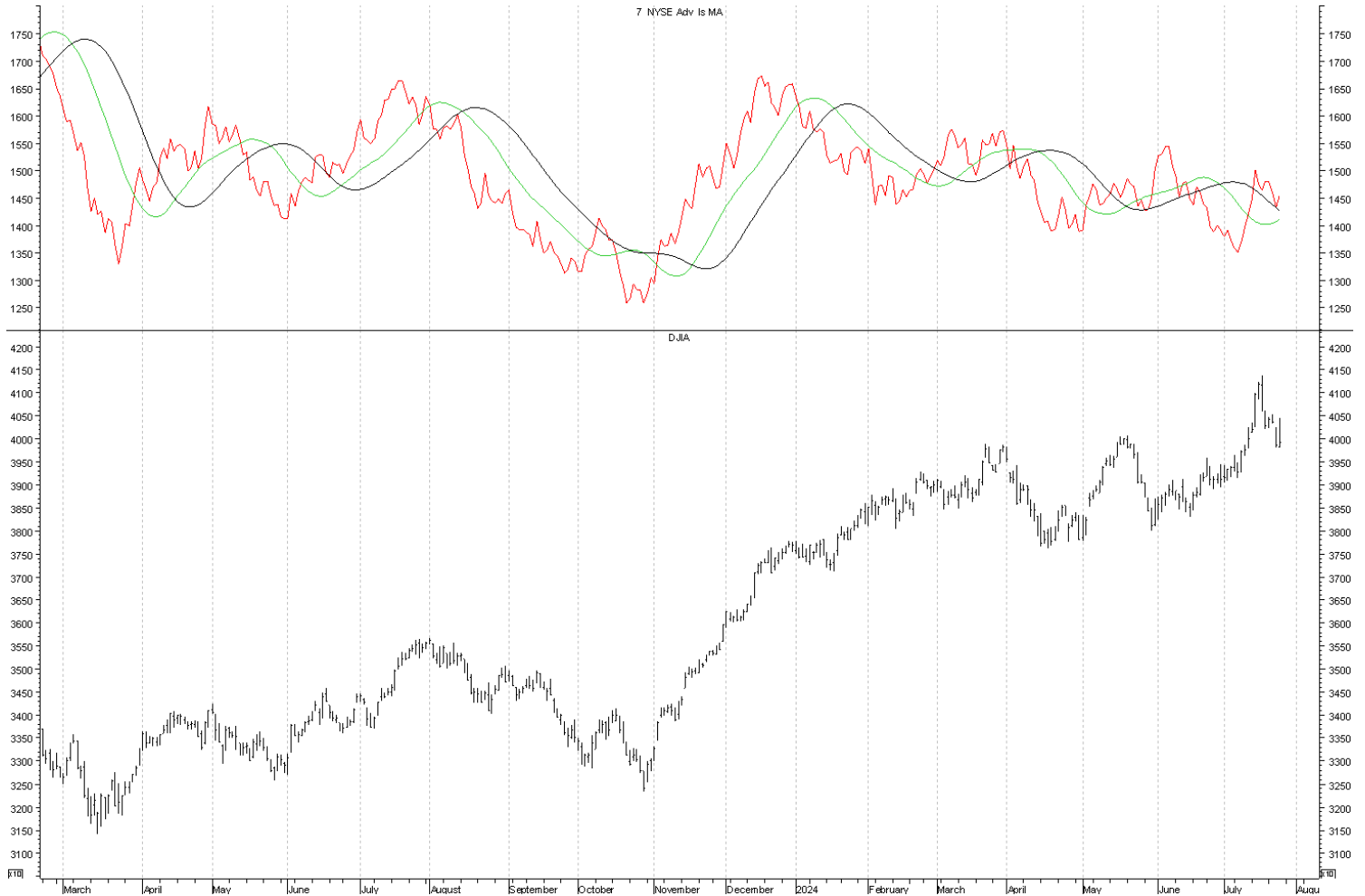
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
Slow Cycle Turn Indicator (CTI)	Bearish
New High/New Low Differential	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bullish
McClellan Intermediate Term Breadth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

The timing band for the now due trading cycle low runs between July 10th and July 30th. As discussed in the Tuesday night update, in order to make for a more mature price/oscillator picture, I ideally wanted to see continued weakness into this low. On Wednesday additional weakness was in fact seen and on Thursday the Industrials completed the formation of a daily swing low. In doing so, we now have a much more mature price/oscillator picture. With regard to the trading cycle low, Thursday's reversal lower makes for a questionable daily swing low, but in spite of that reversal the trading cycle low should be close at hand if not in place in conjunction with Wednesday's low. Any further advance above Thursday's high should trigger a short-term buy signal confirming the trading cycle low whereas any additional weakness should be in association with an ending push into the trading cycle low. Bottom line, once another daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen, a short-term buy signal will be triggered and this low should be in place. The expectation continues to be for the advance out of the now due trading cycle low to carry the Industrials higher as we move into the higher degree intermediate-term

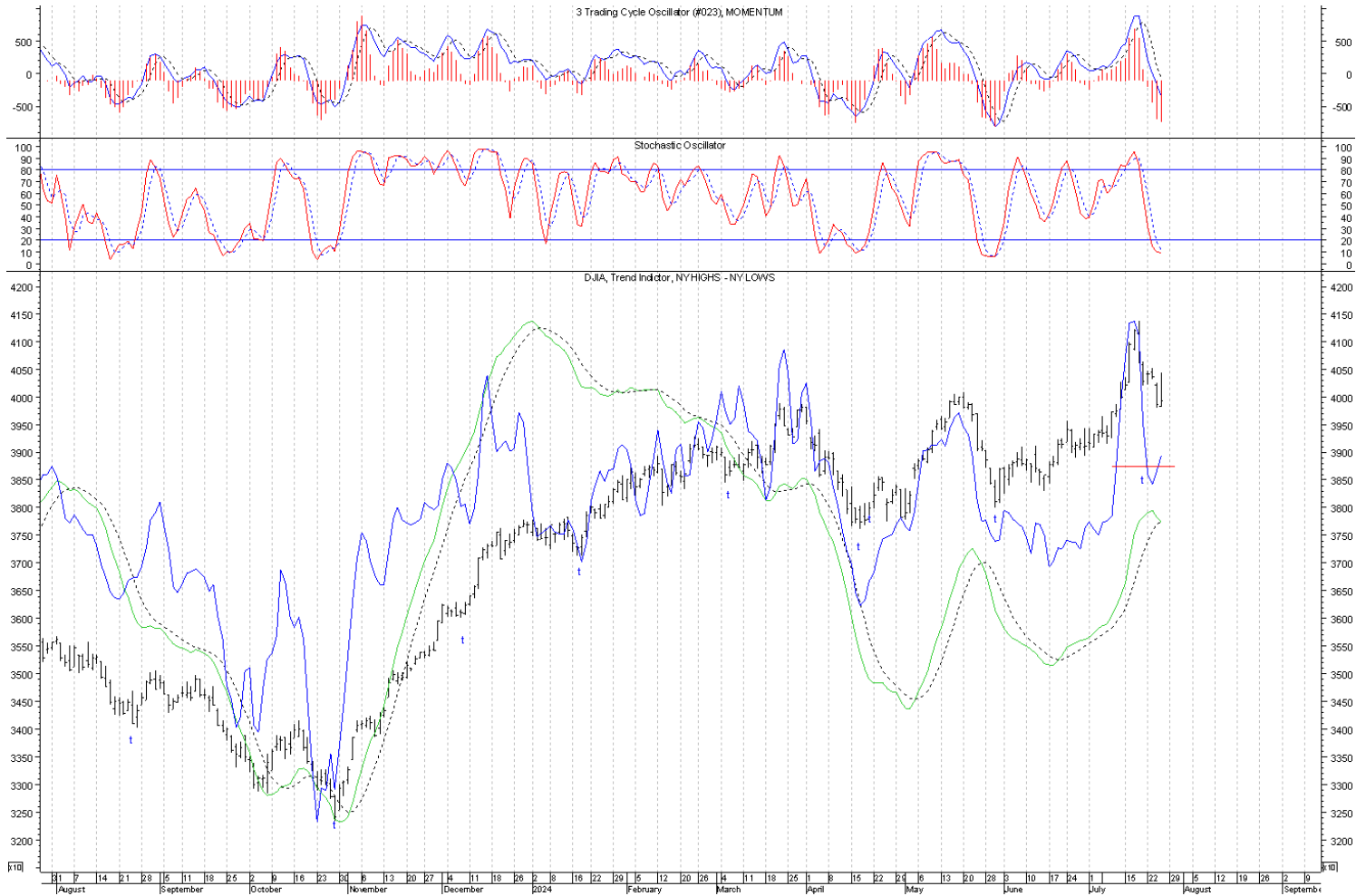
cycle top. However, if the pending trading cycle advance should fail to better the July 18th trading cycle top, then upon such failure the evidence will be suggestive of the higher degree intermediate-term cycle top having peaked in conjunction with the current trading cycle top rather than with an additional trading cycle up. Whichever the case, the expectation is for the pending intermediate-term cycle top to also mark the higher degree seasonal cycle top, which I anticipate will coincide with the higher degree 4-year cycle top and the conclusion of the setting up of the CheckMate Chart.

The short-term sell signal on Crude Oil has carried price to oversold levels, but until a daily swing low and upturn of the daily CTI are seen, this low will remain intact. As a result of the higher degree intermediate-term sell signal and assumed intermediate-term cycle top, any advance is once again expected to be counter-trend. The short-term sell signal on Gasoline also remains intact, but here too, conditions are also ripe for a bounce. As with Crude Oil, the expectation is for any such bounce to be counter-trend and followed by continued weakness in association with the higher degree cycle top/s. Natural Gas triggered another short-term sell signal on Thursday and every indication is that the counter-trend advance has run its course. Both the short and intermediate-term sell signals on the CRB Index remain intact and every indication is that the higher degree seasonal cycle top has also been seen. Gold completed the formation of a daily swing high on Thursday and as a result of the weakness in association with this daily swing high the evidence is further suggestive of the trading cycle low having been seen on July 22nd and that we have a left-translated trading cycle now at hand. The XAU also completed the formation of a daily swing high on Thursday, triggering a short-term sell signal here as well and every indication here is that we also have a left-translated trading cycle at play. The Dollar completed the formation of a daily swing high on Thursday leaving it at risk of a left-translated trading cycle top. Any further weakness that triggers a short-term sell signal will be further suggestive of such setup leaving the Dollar positioned for continued weakness into the higher degree intermediate-term cycle low. Bonds completed the formation of a daily swing low on Thursday and we should be at or near the now due trading cycle low. Any further weakness should be in association with an ending push into the trading cycle low whereas any further strength that turns the daily CTI up will trigger a short-term buy signal, which should serve as confirmation of this low. The expectation is for the advance out of the pending trading cycle low to be followed by further strength in association with the advance out of the higher degree intermediate-term, seasonal and suspected 3-year cycle lows as we see increased pressure on rates.

The Intermediate-Term Advancing Issues Line, plotted in red, has ticked up and continued strength here will now be suggestive of the trading cycle low. The Green MA continues trying to turn back up and as I have seen saying, there are generally two crossings below the Black MA in association with intermediate-term cycle tops. As a result, a second crossing of the Green back above the Black with one additional trading cycle up would be ideal.

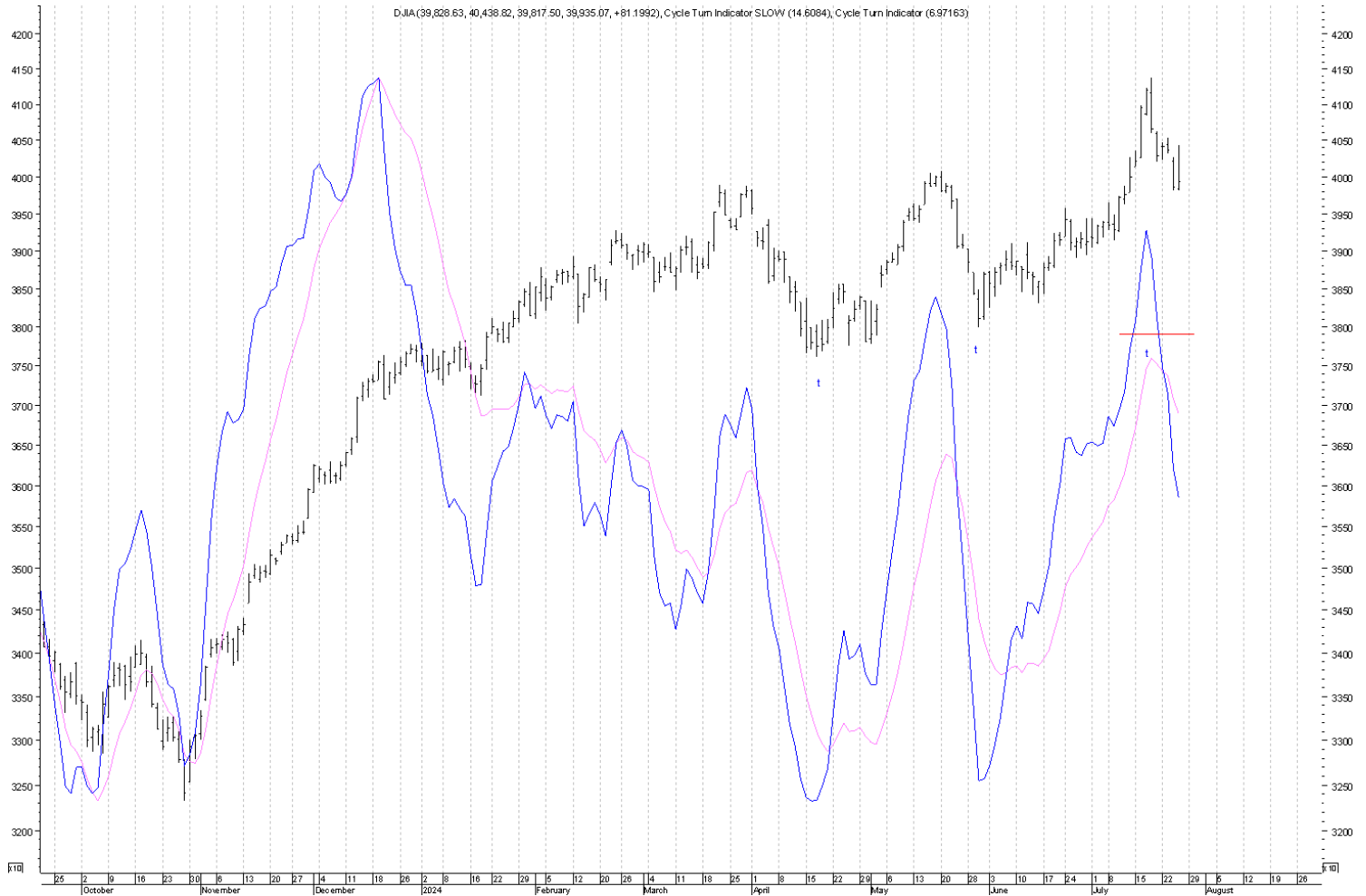


The **Trading Cycle Oscillator** in the upper window continues its downturn in association with the decline into the trading cycle low as does the **Momentum** Indicator. The **5 3 3 Stochastic** in the middle window also continues its downturn and has now moved deeply into oversold territory. The overall price/oscillator picture is now much more indicative of the trading cycle low, which should be in place once a short-term buy signal is triggered. The **New High/New Low Differential**, plotted with price, has turned up. The **Trend Indicator** continues its downturn and is now sitting marginally above its trigger line.

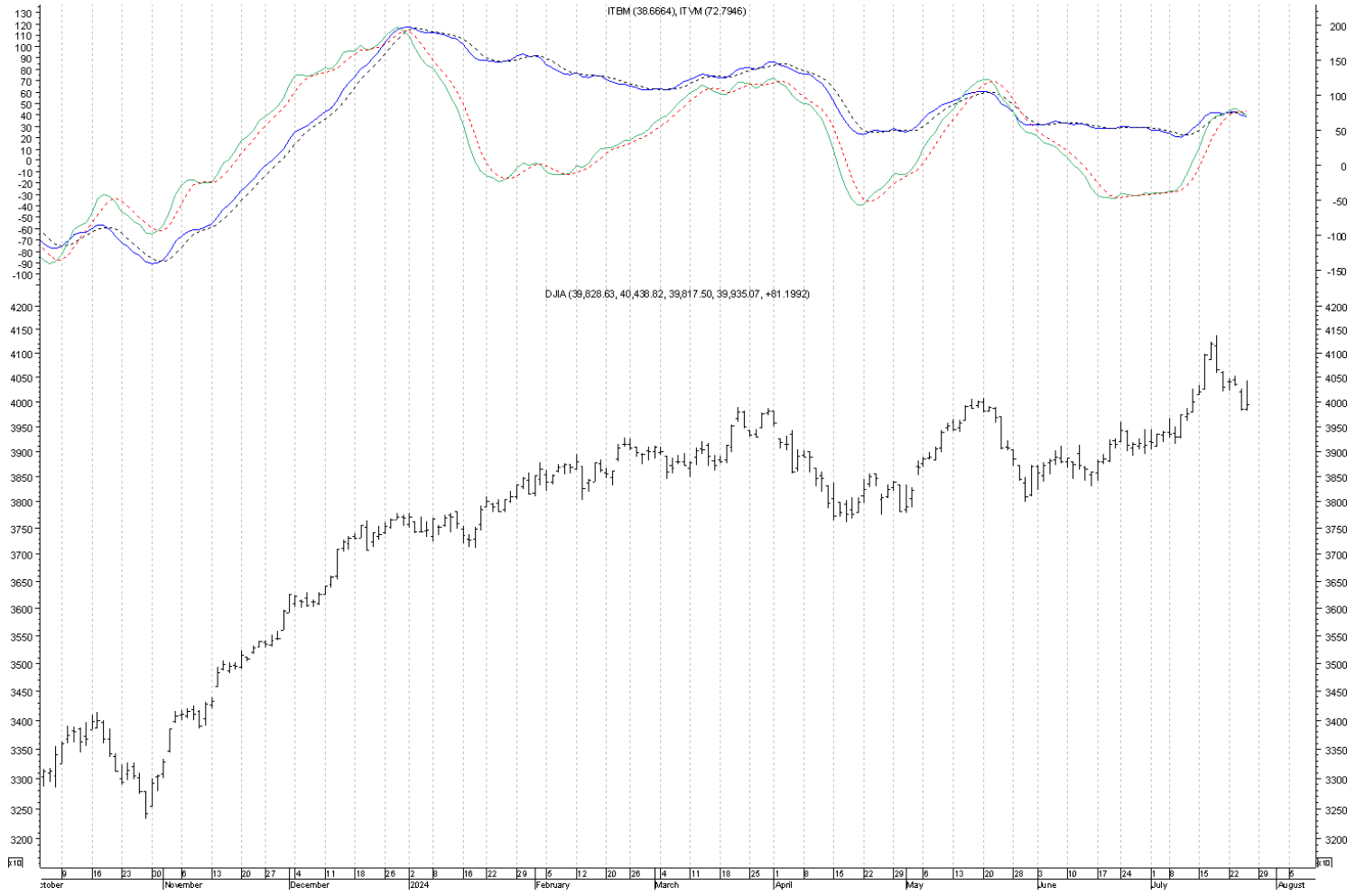


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

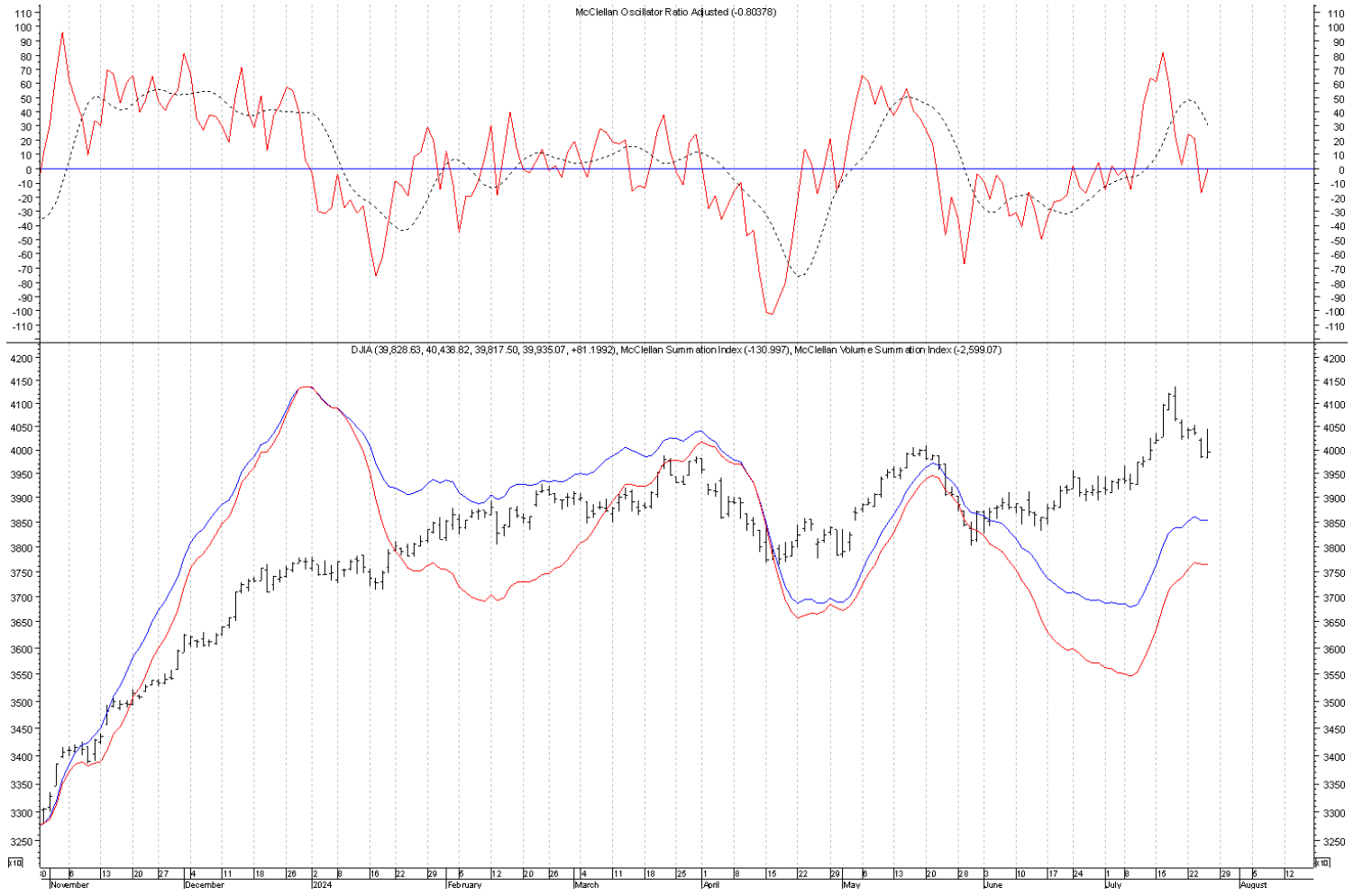
Bottom line, the trading cycle low should be close at hand if not in place. Once a daily swing low AND upturn of ALL Three of the Primary Short-Term Indicators are seen, a short-term buy signal will be triggered and this low should be in place. It will be the advance out of this trading cycle low that will serve as the retest of or ending push into the higher degree intermediate-term cycle top.



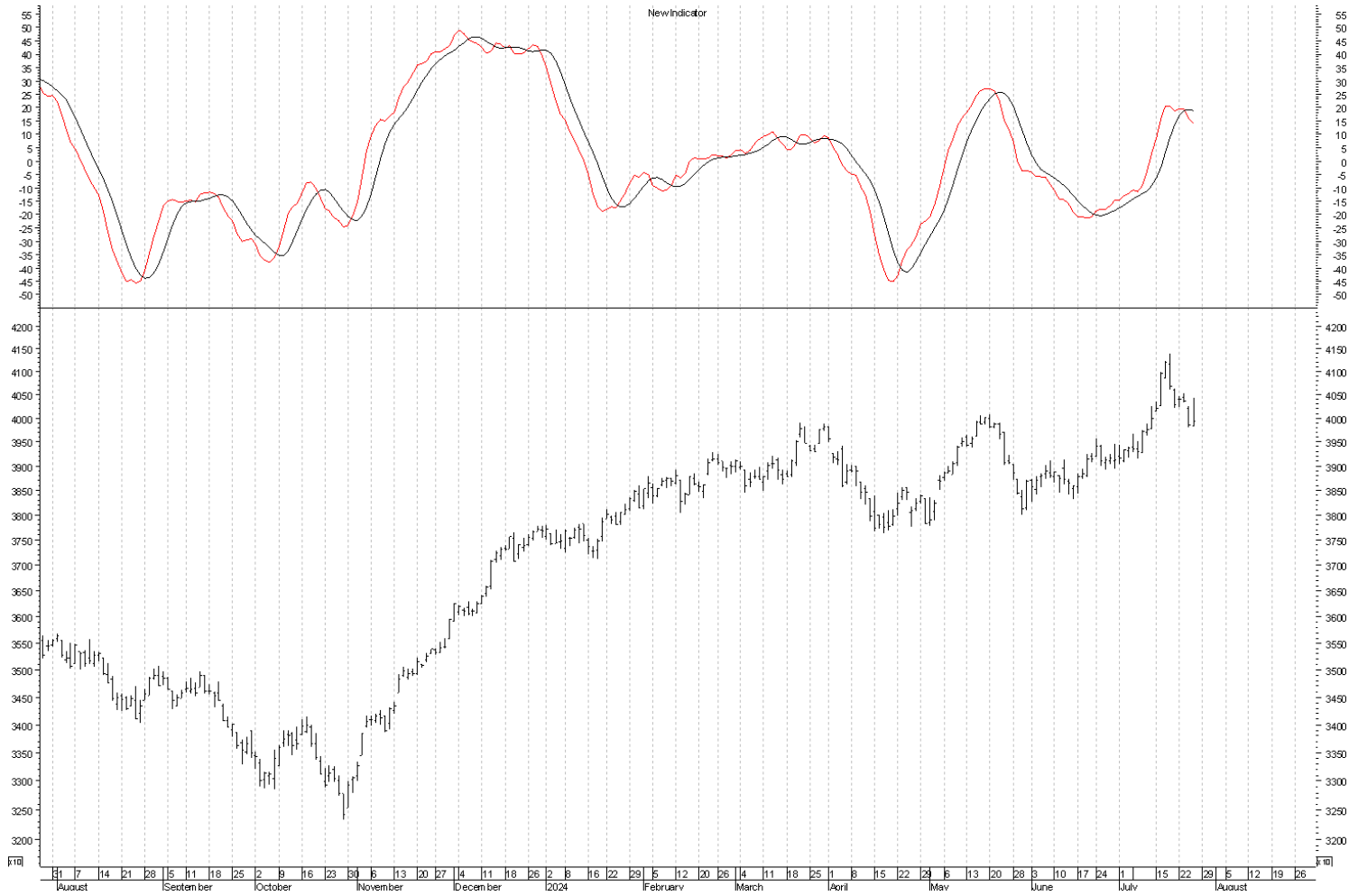
Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** have turned marginally below their trigger lines in association with the trading cycle top. Upturns now should serve as evidence of the trading cycle low.



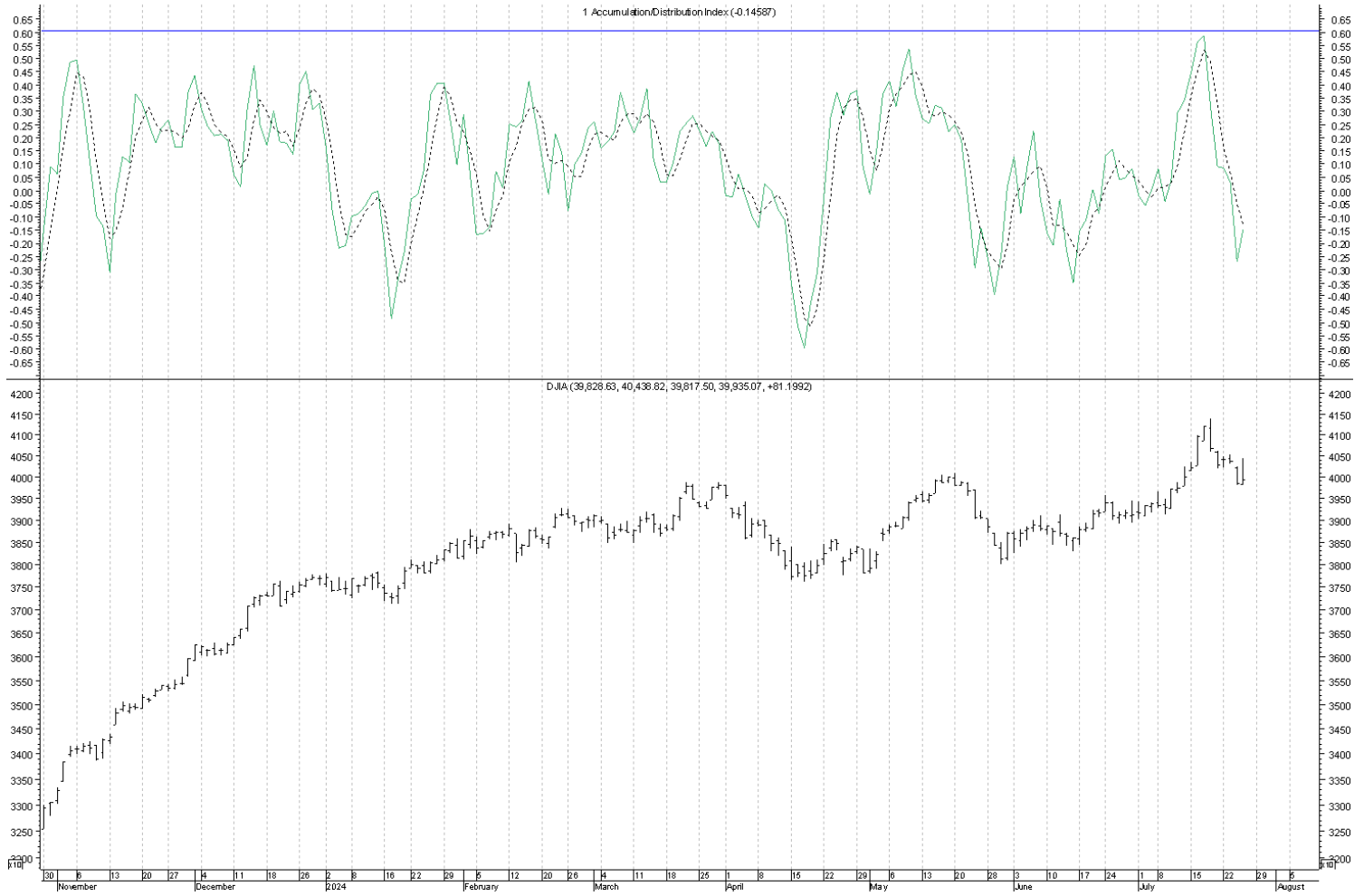
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** have also turned marginally lower as well and here too, upturns will now be suggestive of the trading cycle low. The **Ratio Adjusted McClellan Oscillator** in the upper window has ticked up, but has not yet crossed back above its trigger line. The triggering of a short-term buy signal in conjunction with a crossing back above the zero and trigger line should serve as confirmation of the now due trading cycle low.



The smoothed McClellan oscillator has finally crossed below its trigger line confirming the trading cycle top and here too, given the now due trading cycle low, another upturn will now be suggestive of the trading cycle low.



The **Accumulation/Distribution Index** has ticked back up and any further strength that turns this indicator back above the trigger line will be further suggestive of the now due trading cycle low.

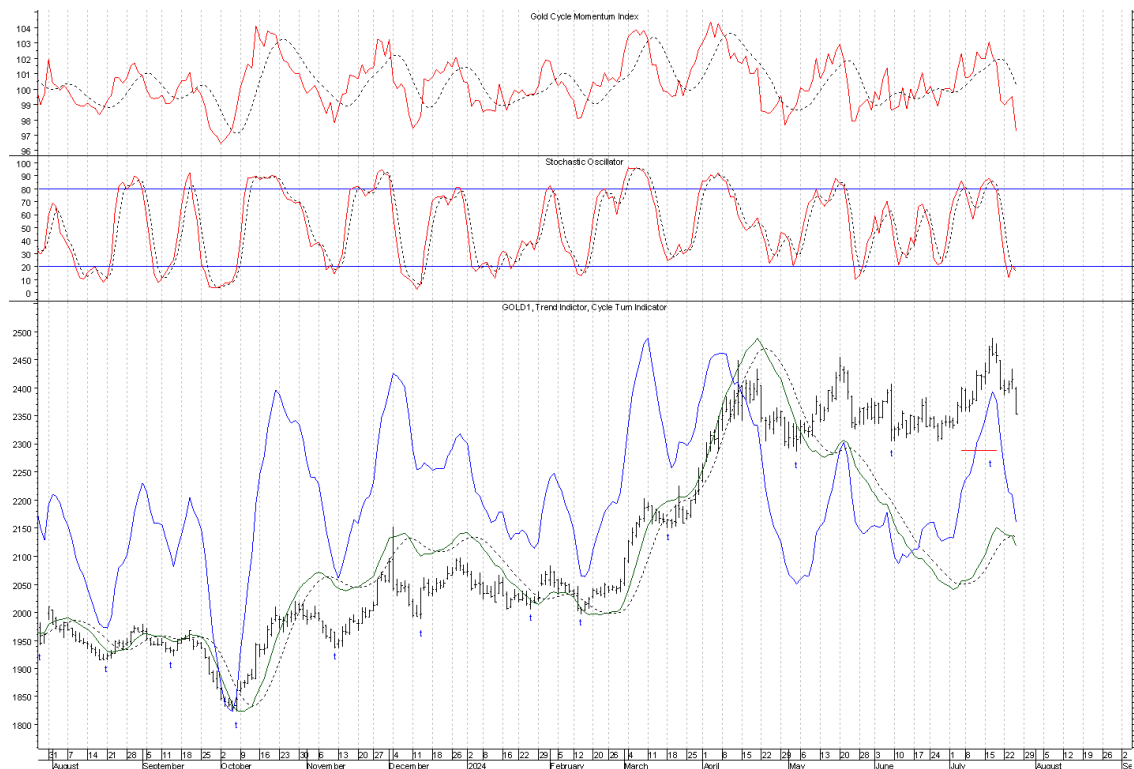


Gold

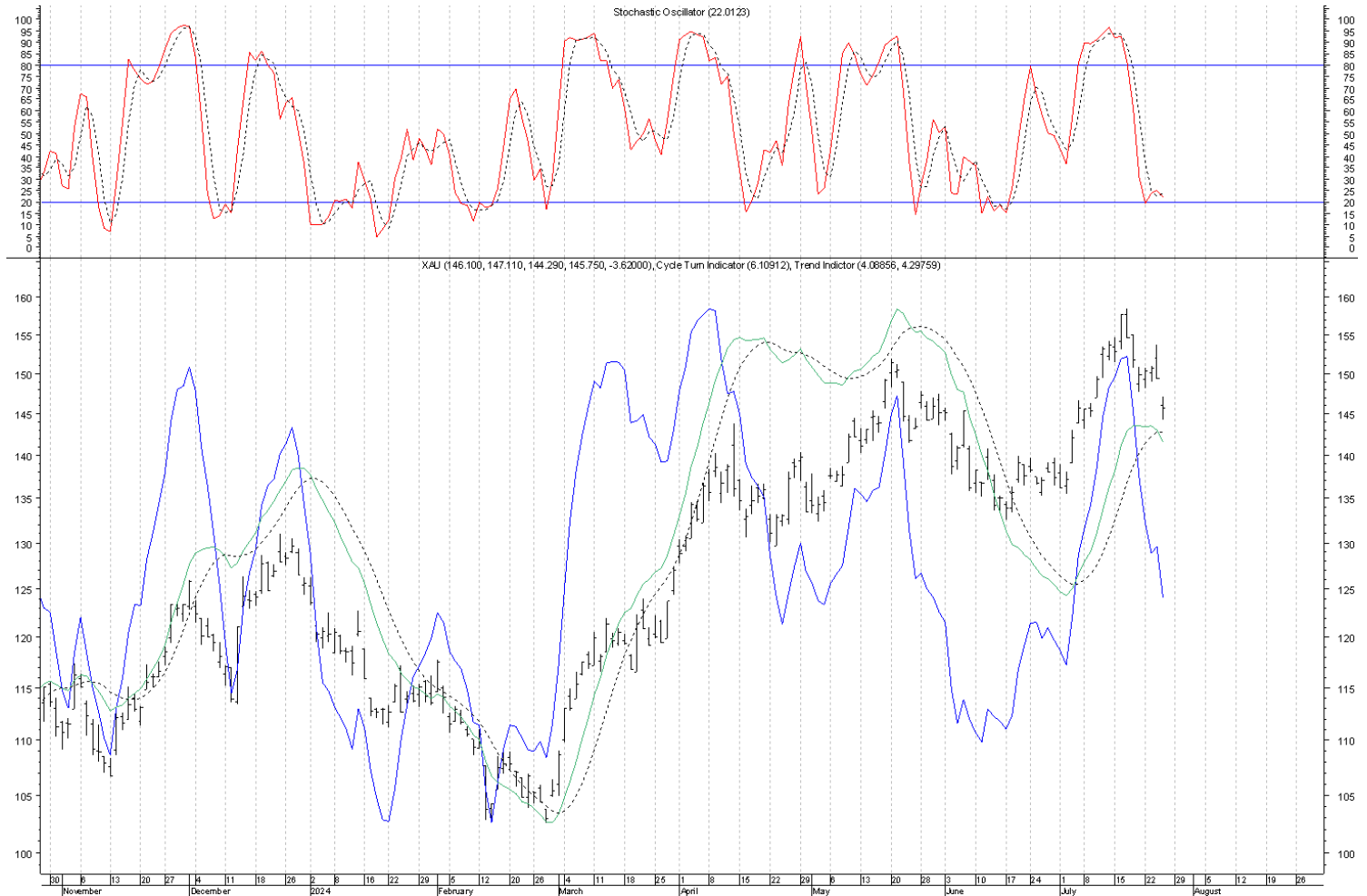
End of Week Intermediate-Term Indicator Summary Intermediate-Term Buy	
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish
Secondary Indicators	
5 3 3 Stochastic	Bullish

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	Bullish

The timing band for the current trading cycle low ran between July 3rd and July 18th. As a result of the extremely right-translated trading cycle advance, this cycle ran long and until proven otherwise I have to assume this low to have been seen in conjunction with the July 22nd daily swing low. Accordingly, Thursday's completion of another daily swing high leaves Gold at risk of an extremely left-translated trading cycle top. Until Gold can prove otherwise, we have to assume this to be the case. At a higher level, the price action this week has also set a weekly swing high into motion, leaving Gold at further risk of a left-translated intermediate-term cycle top as well. We knew that the advance out of the trading cycle low was going to be structurally critical for Gold and this is proving correct. This 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 Friday if 2,351.90 holds and if 2,400.80 is bettered.



Our daily chart of the XAU is next. Here too, the trading cycle low was due and in this case appears to have been seen on July 19th. As with Gold, with the completion of another daily swing high on Thursday, every indication is that we have a left-translated trading cycle at play here as well. We also have a weekly swing high and intermediate-term sell signal in the making leaving the XAU at risk of a left-translated intermediate-term cycle top, which as with Gold we have to assume to be the case. This short-term sell signal will remain intact until a daily swing low and upturn of the daily CTI are seen. A daily swing low will be completed on Friday if 144.29 holds and if 147.11 is bettered.



Dollar

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)	Bearish
Cycle Momentum Indicator	Bearish

Secondary Indicators

5 3 3 Stochastic	Bearish
------------------	---------

Daily Indicator Summary **Short-Term Buy**

Primary Indicators

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

Confirming Indicators

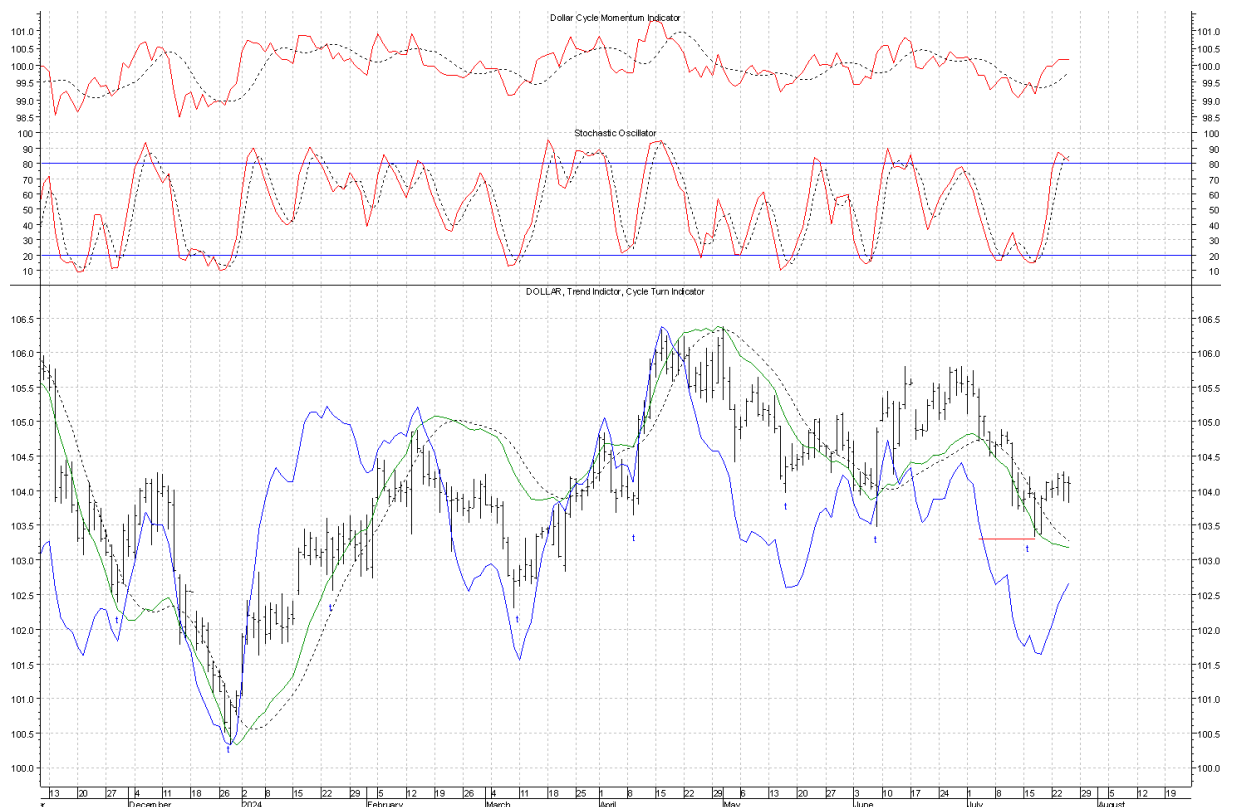
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish

Secondary Indicators

5 3 3 Stochastic	Bearish
------------------	---------

The timing band for the trading cycle low ran between July 3rd and July 17th. As was discussed in the Research Letter this past weekend, the assumption has been that this low was seen on July 17th and the price action since has continued to confirm this to be correct. As a result of the violation of the June 7th trading and intermediate-term cycle low, the evidence is suggestive of a failed and left-translated intermediate-term cycle. For that reason, the expectation has been for the advance out of the July 17th trading cycle low to be counter-trend. In accordance with that expectation, the price action on Thursday completed the formation of a daily swing high, leaving the Dollar at risk of a left-translated trading cycle top. Any further weakness that turns the daily CTI down will trigger a short-term sell signal, which we will have to assume to be in association with a

left-translated trading cycle top. Another daily swing low will be completed on Friday if 103.83 holds and if 104.21 is bettered.

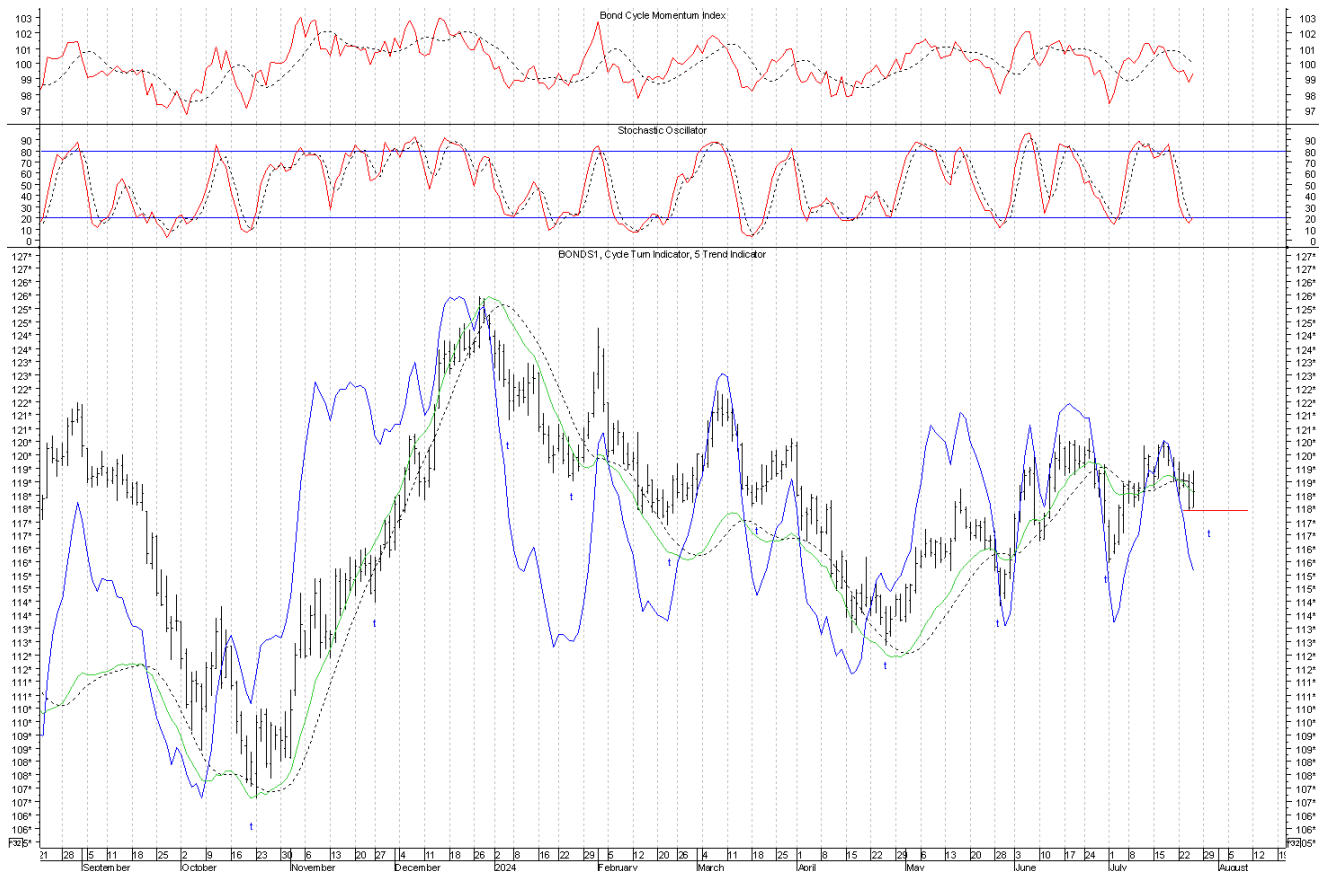


Bonds

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	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bullish

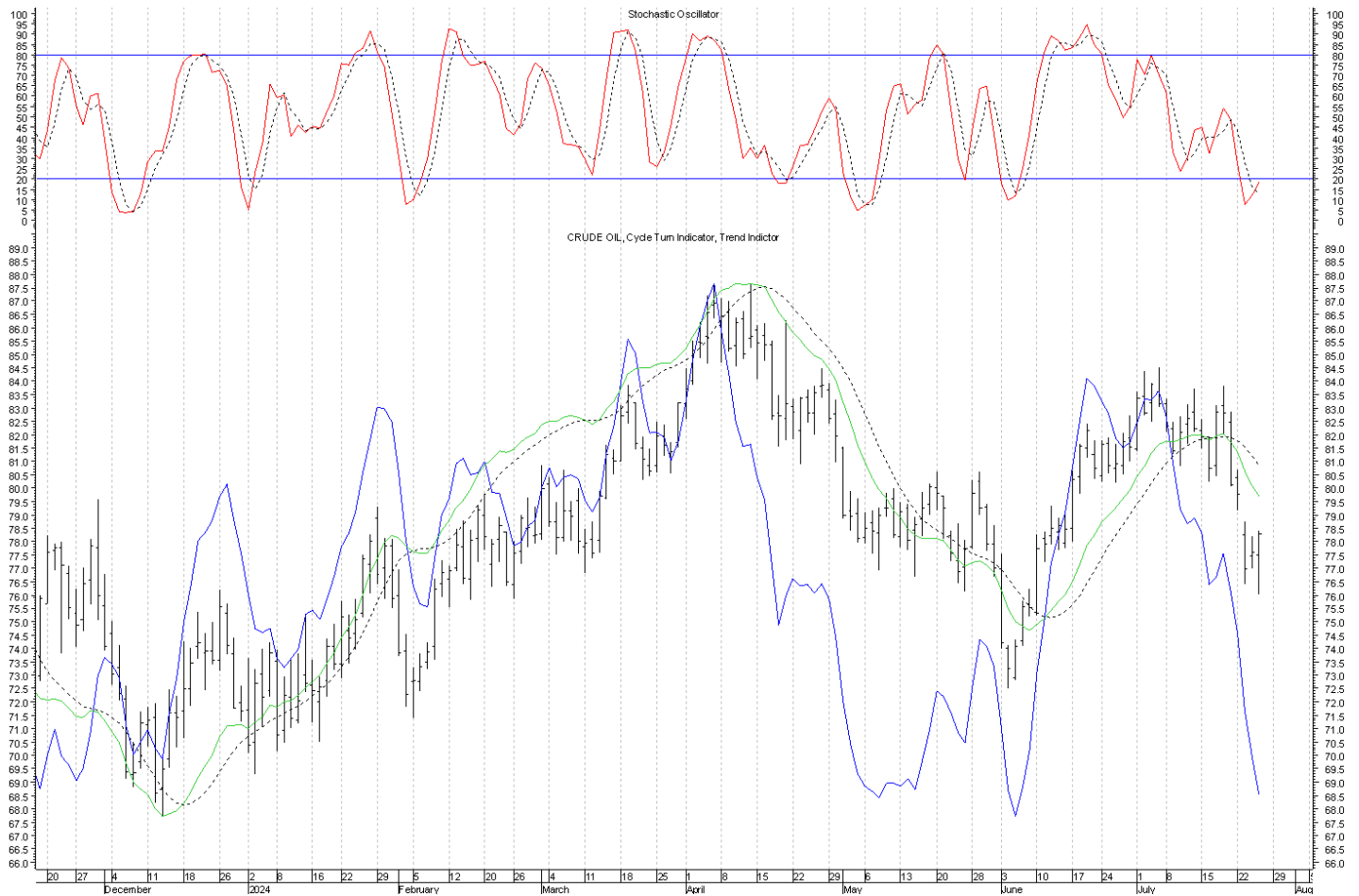
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bullish

The timing band for the now due trading cycle low runs between July 23rd and August 9th. The price action on Thursday completed the formation of a daily swing low, but with the daily **CTI** remaining negative, a short-term buy signal was not triggered. Ideally, I would like to see another few days of weakness into this low, but once a 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. More on that once a short-term buy signal is triggered. The expectation is for continued strength to follow in the wake of the pending trading cycle low as the higher degree upturn in association with the intermediate-term cycle advance continues to pressure rates.



Crude Oil

The July 19th short-term sell signal remains intact and has carried price to oversold levels, per the 5 3 3 Stochastic. This oversold condition and the accompanying reversal off the low on Thursday are certainly conducive of a bounce, but until a daily swing low and upturn of the daily CTI are seen, this short-term sell signal will remain intact. At a higher level, every indication continues to be that the intermediate-term cycle top was seen in conjunction with the July 5th daily swing high. For this reason, the expectation is for any bounce at this juncture to be counter-trend and followed by continued weakness. A daily swing low will be completed on Friday if 76.04 holds and if 78.40 is bettered.



©2024 Cycles News & Views; All Rights Reserved

timwood1@cyclesman.com