

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 February 1, 2024

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

February 1, 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)	Bearish
CTI on Rydex Tempest Fund *	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Advance/Decline Issues Diff	Bearish
New High New Low Diff	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bullish
Cycle Momentum Indicator	Bearish
*When this indicator is Bullish it is negative for the market and visa versa.	

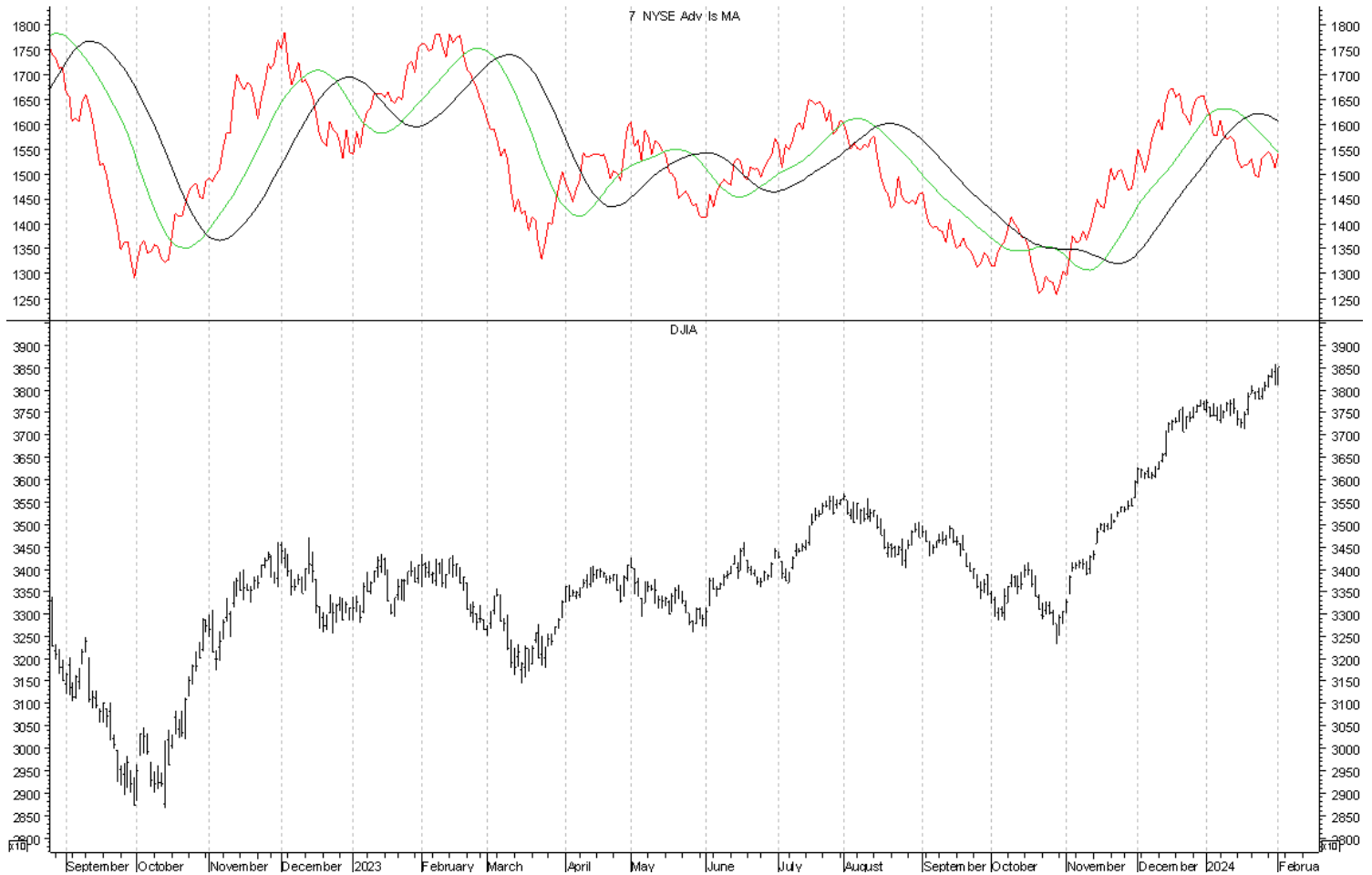
Daily Indicator Summary Short-Term Neutral	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Slow Cycle Turn Indicator (CTI)	Bearish
New High/New Low Differential	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bullish
McClellan Intermediate Term Breadth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

The timing band for the current trading cycle low runs between January 16th and February 8th. There are still 5 trading days left before moving through the remainder of this timing band, but every indication continues to be that this low was seen on January 18th. The price action on Thursday completed the formation of a daily swing high and with the downturn of all Three of the Primary Short-Term Indicators, a short-term sell signal was triggered. However, because of the reversal off the low, this short-term sell signal is certainly questionable and must be confirmed with a close below Thursday's low. In the absence of such confirmation, the trading cycle advance will remain intact. On the other hand, should we see such confirmation, it will put the Industrials at risk of a left-translated trading cycle top. At a higher level, the timing band for the intermediate-term cycle low runs between February 16th and April 19th. With this timing band approaching, the expectation is for the higher degree intermediate-term cycle top to occur in conjunction with the current/pending trading cycle top. If the decline out of the current/pending trading cycle top completes the formation of a weekly swing high, then we should also have the intermediate-term

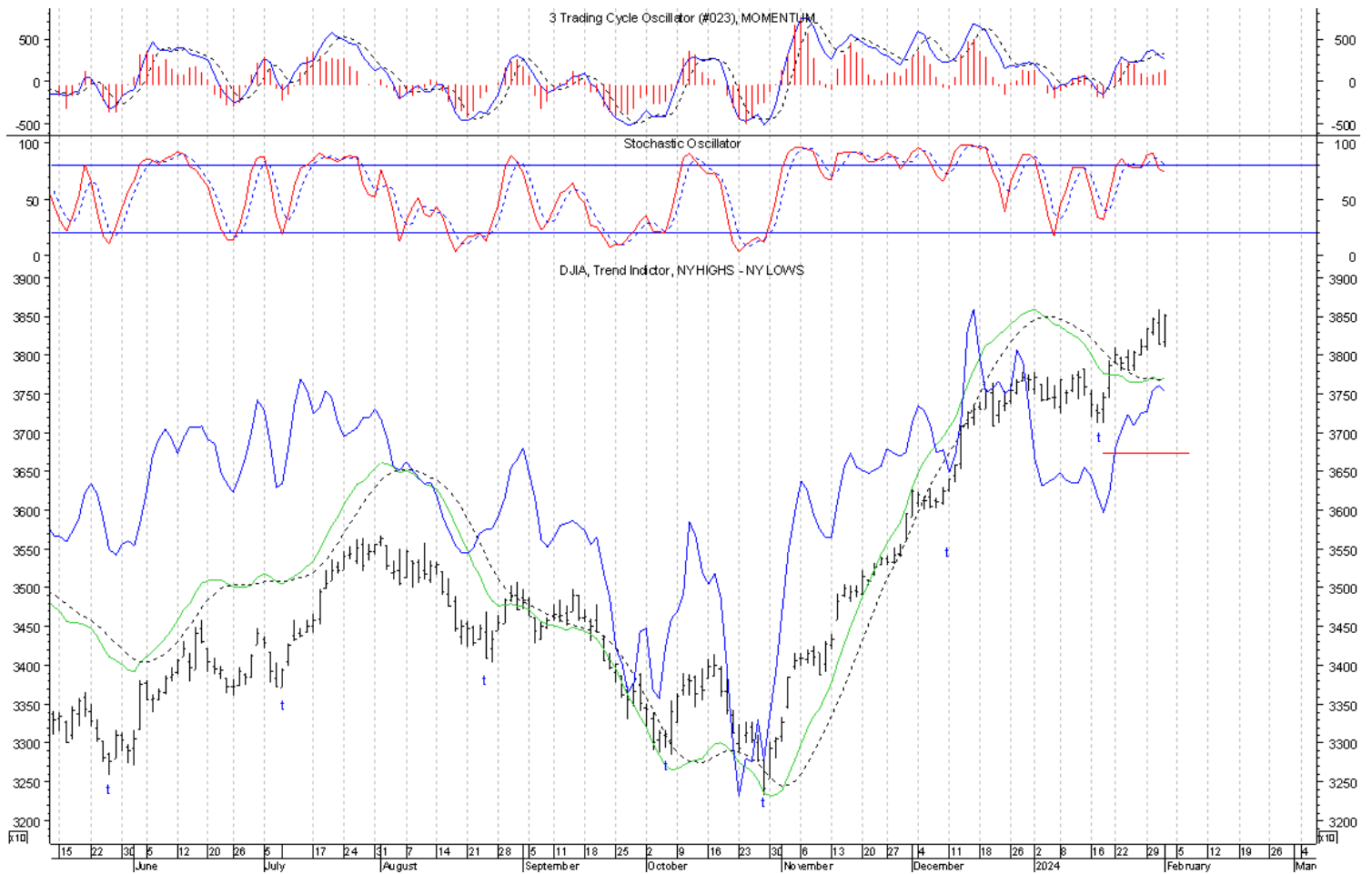
cycle top in place. With this intermediate-term cycle being right-translated, the expectation is for the decline out of this intermediate-term cycle top to be counter-trend. It will then be the next intermediate-term cycle advance that the higher degree setup with the CheckMate Chart will have an opportunity to take form. For now, our focus remains on the trading and intermediate-term cycle top.

Tuesday's short-term sell signal on Crude Oil was confirmed on Wednesday and continued weakness followed on Thursday. If the decline in association with this short-term sell signal completes the formation of a weekly swing high, then the intermediate-term advance will also be at risk of having run its course. Gasoline also triggered a short-term sell signal on Tuesday, but here too, because of the reversal off the low, we also need to see this sell signal confirmed with a close below Tuesday's low. We have seen additional weakness, but we still have not seen a close below Tuesday's low. Last Friday Natural Gas completed the formation of a daily swing high and on Tuesday the daily CTI turned down triggering a short-term sell signal. At a higher level, the price action this week continues to serve as confirmation of the previously triggered intermediate-term sell signal. The CRB Index triggered another short-term sell signal on Wednesday. More weakness followed on Thursday and the trading cycle top should be in place. As with Crude Oil and Gasoline, the advance out of the December intermediate-term cycle low also remains intact, but is expected to be counter-trend and this trading cycle top is now an opportunity to cap that higher degree cycle top as well. Gold completed the formation of a daily swing low last Friday and with the continued advance on Monday the daily CTI turned up, triggering another short-term buy signal. Because of the reversal lower on Tuesday, this trading cycle advance was at risk of a left-translated trading cycle top, but with the continued advance since, this risk has been corrected at this juncture and it may be that we also have the higher degree intermediate-term cycle low in place as well. The short-term buy signal on the XAU remains intact and here too, the price/oscillator picture has greatly improved. The Dollar triggered a questionable short-term sell signal on January 24th and thus far that signal remains intact, but must be confirmed with a close below the January 24th low, which in doing so should serve as confirmation of the trading cycle top. The alternative is that the trading cycle low was seen on January 24th and that we have a failed and left-translated trading cycle in the making. Bonds completed the formation of a daily swing low last Friday and with the accompanying upturn of the daily CTI, a short-term buy signal was triggered. As a result of the continued advance and the completion of a weekly swing low this week, every indication is that an early trading cycle low was in fact seen.

The Intermediate-Term Advancing Issues Line, plotted in red, ticked back up on Thursday. The Green MA continues its downturn below the Black MA and there are no changes here. Generally there are two crossings below the Black in association with intermediate-term cycle tops. While this crossing continues to put Equities at risk of an intermediate-term cycle top, because of the absence of a weekly swing high, the expectation is for another upturn back above the Black MA that is then followed by a second downturn in association with the intermediate-term cycle top. That said, we will further evaluate the overall evidence once an intermediate-term sell signal is triggered.

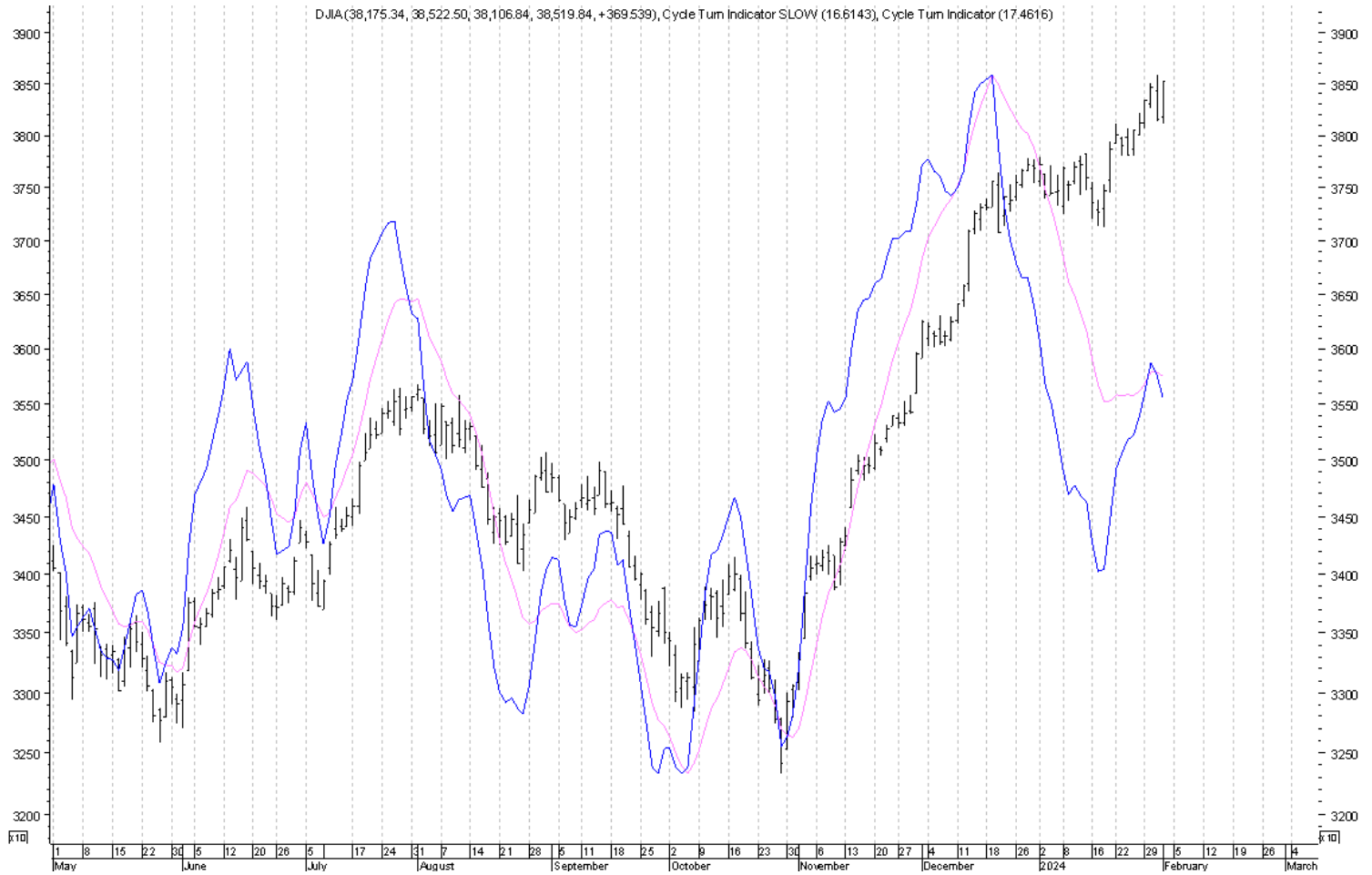


The **Trading Cycle Oscillator** in the upper window has turned back down below its trigger line and the **Momentum** Indicator remains above its zero line. The **5 3 3 Stochastic** in the middle window has turned back down from overbought territory. The behavior of these indicators continues to be suggestive of the trading cycle low having been seen and now a possible top. If Thursday's short-term sell signal is confirmed, this advance will be at risk of having run its course. The **New High/New Low Differential**, plotted with price, turned down on Thursday. The **Trend Indicator** crossed marginally above its trigger line earlier this past week, which in doing so continues to serve as further evidence of the trading cycle low having been seen.

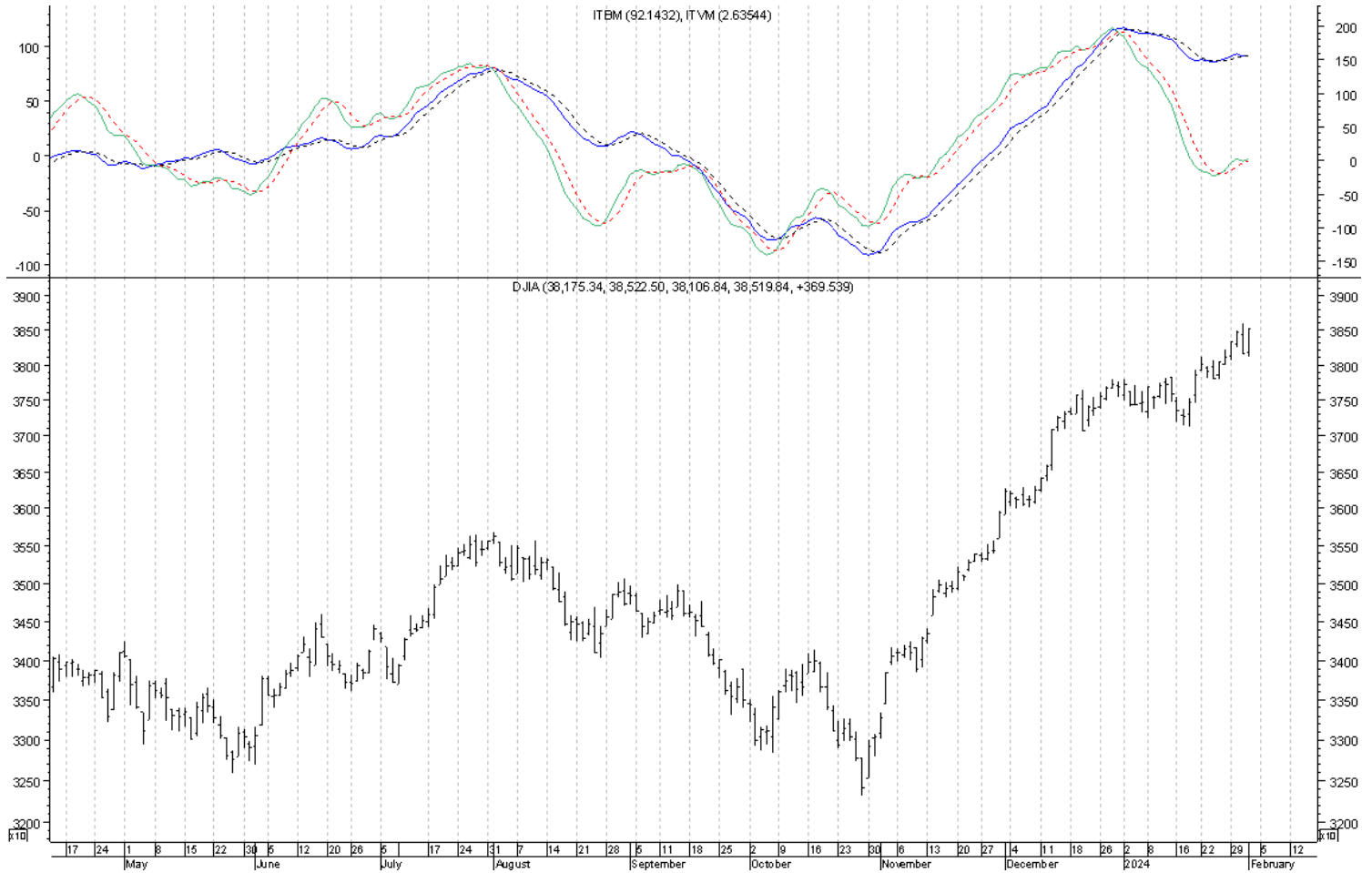


The Three Primary Short-Term Indicators are the **Original** and the **Slow Cycle Turn Indicators**, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

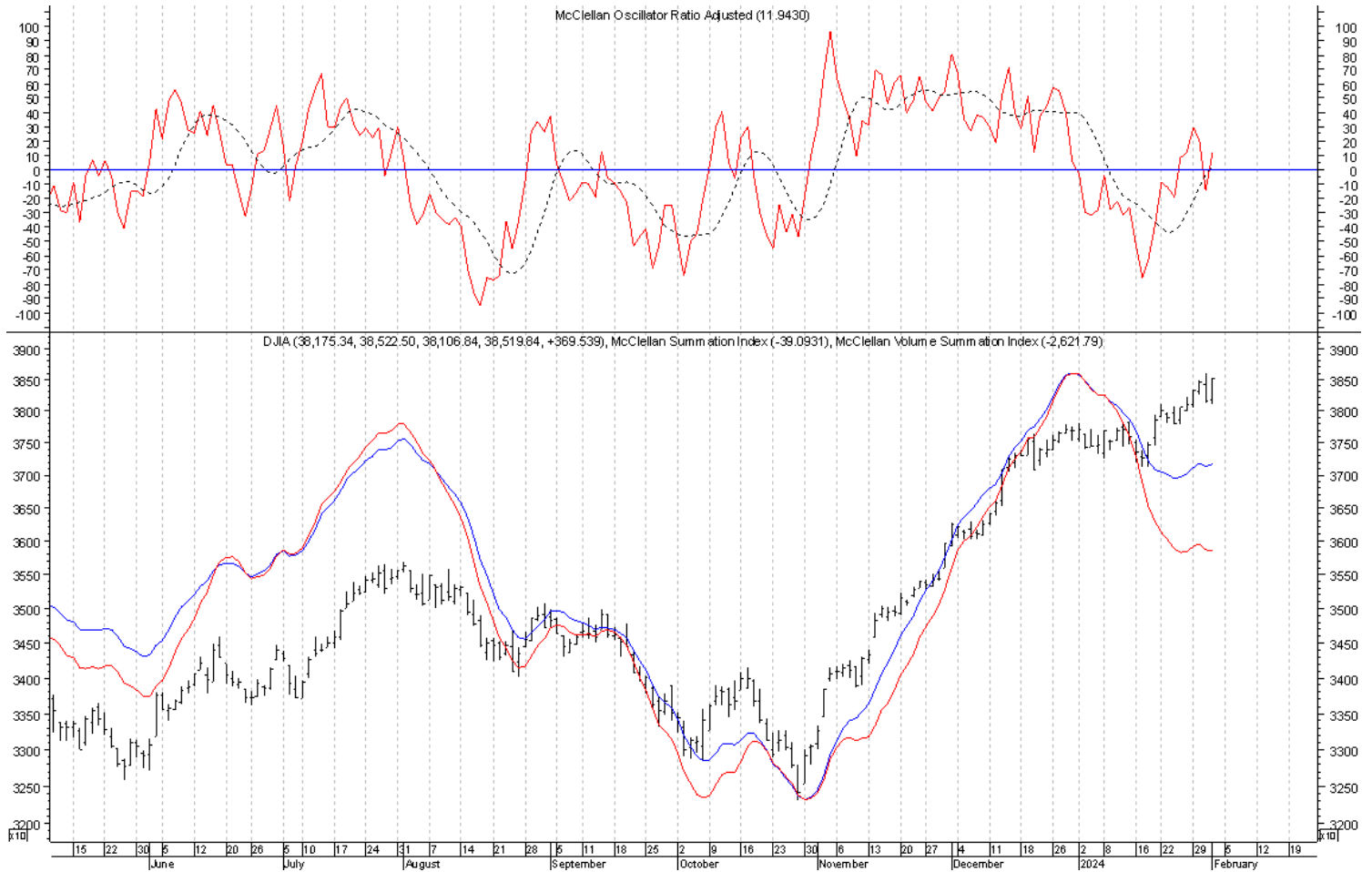
With the completion of a daily swing high and downturn of ALL Three of the Primary Short-Term Indicators, a short-term sell signal was triggered on Thursday, but because of the reversal higher this sell signal has to be discounted until a close below Thursday's low is seen. Another daily swing low will be completed on Friday if 38,106.84 holds and if 38,522.50 is bettered.



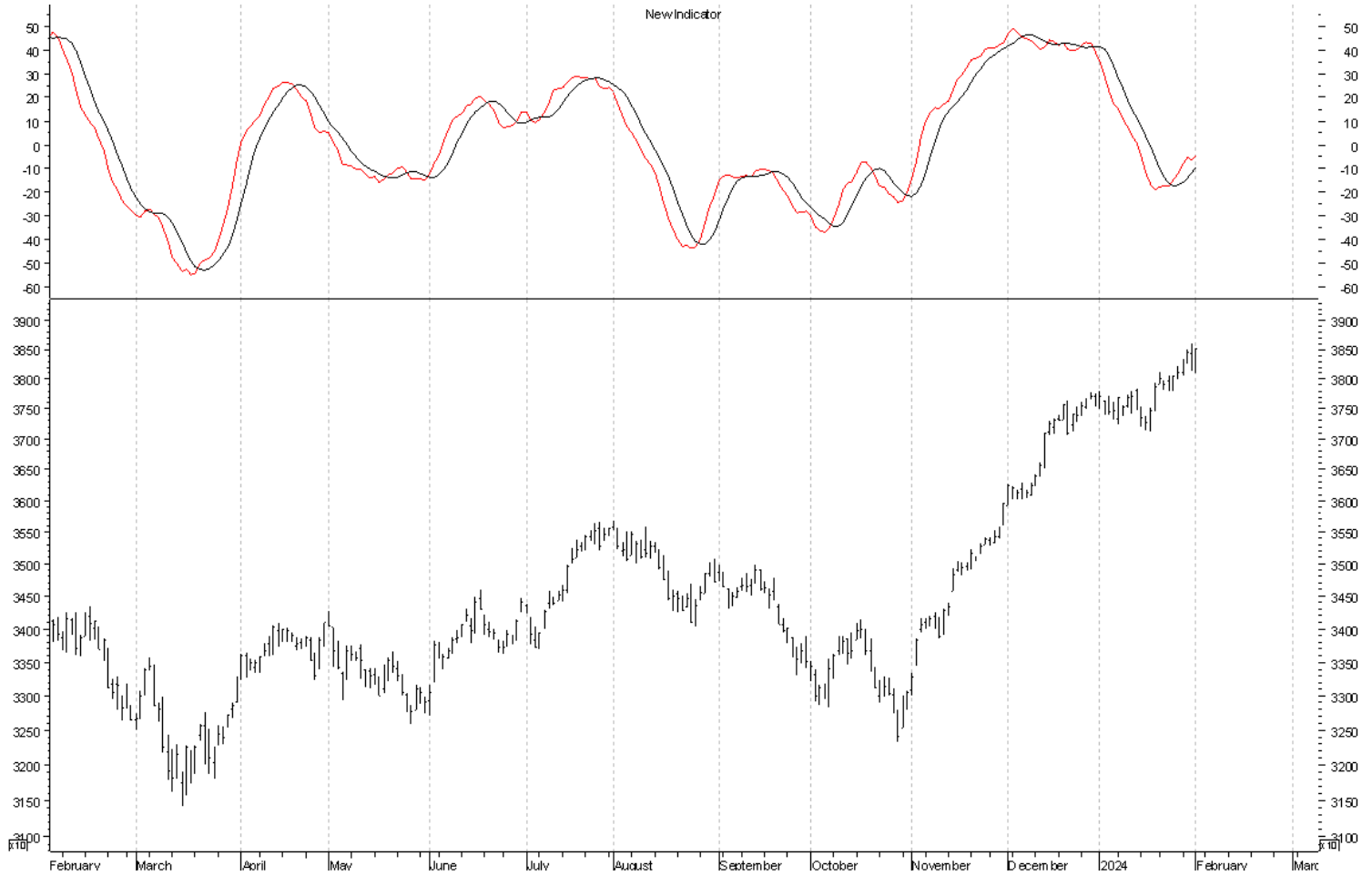
Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** remain above their trigger lines in association with the upturn out of the trading cycle low. Confirmation of the short-term sell signal in conjunction with joint downturns of these indicators will be suggestive of the trading cycle top.



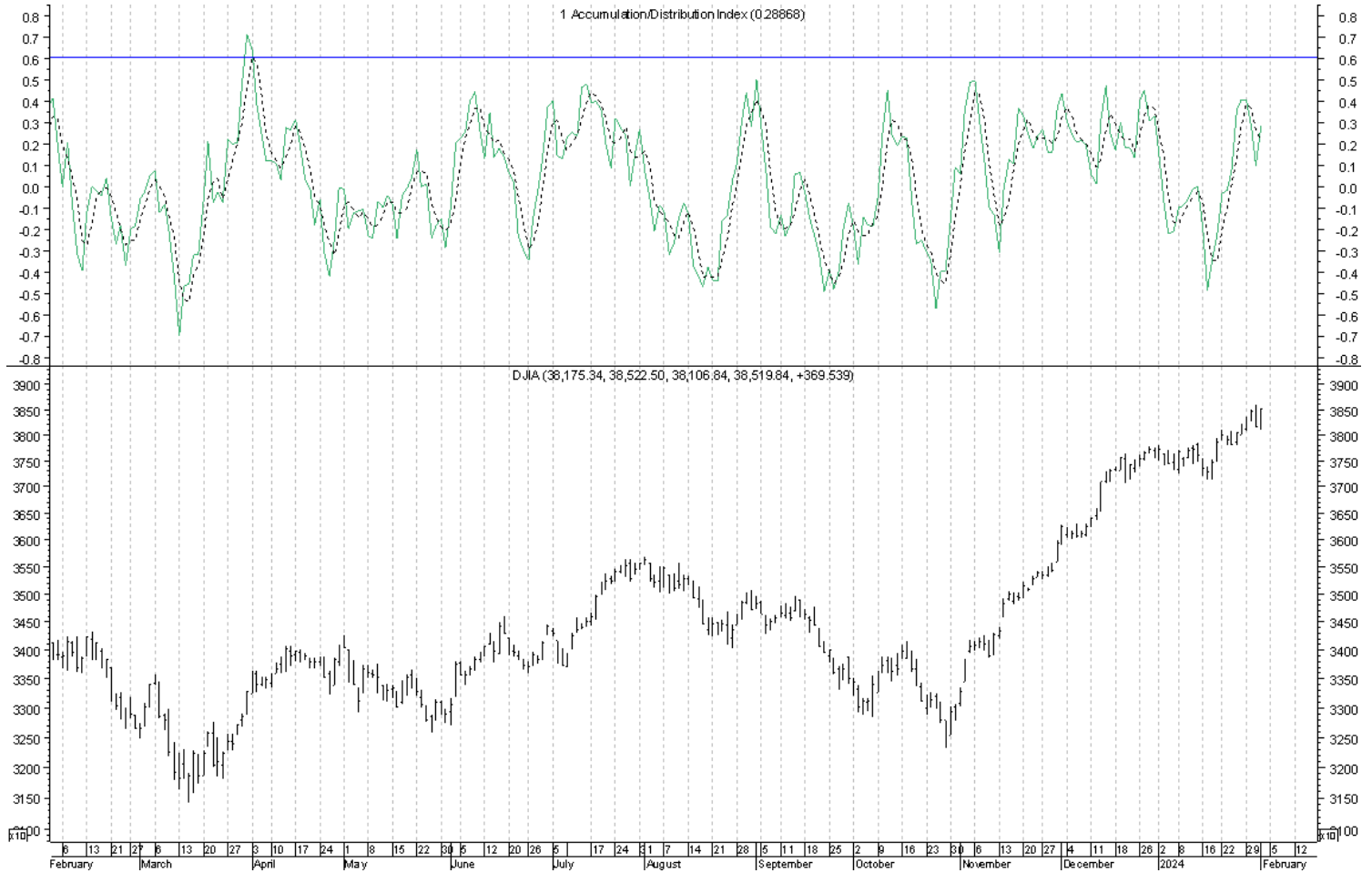
The **McClellan Summation Index** continues its upturn but the **McClellan Volume Summation Index** has ticked down. Here too, confirmation of the short-term sell signal in conjunction with joint downturns of these indicators will be suggestive of the trading cycle top. The **Ratio Adjusted McClellan Oscillator** ticked down on Tuesday, but has since turned back up. Confirmation of the short-term sell signal in conjunction with a downturn of this indicator below both the trigger and zero line should serve as confirmation of both the sell signal and the trading cycle top.



The ongoing upturn of the smoothed McClellan oscillator continues to serve as additional confirmation of the short-term buy signal and trading cycle low. Another downturn here will be reflective of the trading cycle top.



The **Accumulation/Distribution Index** turned down on Tuesday, but ticked back up on Thursday. Again, confirmation of the short-term sell signal in conjunction with another downturn of this indicator will be suggestive of the trading cycle top.

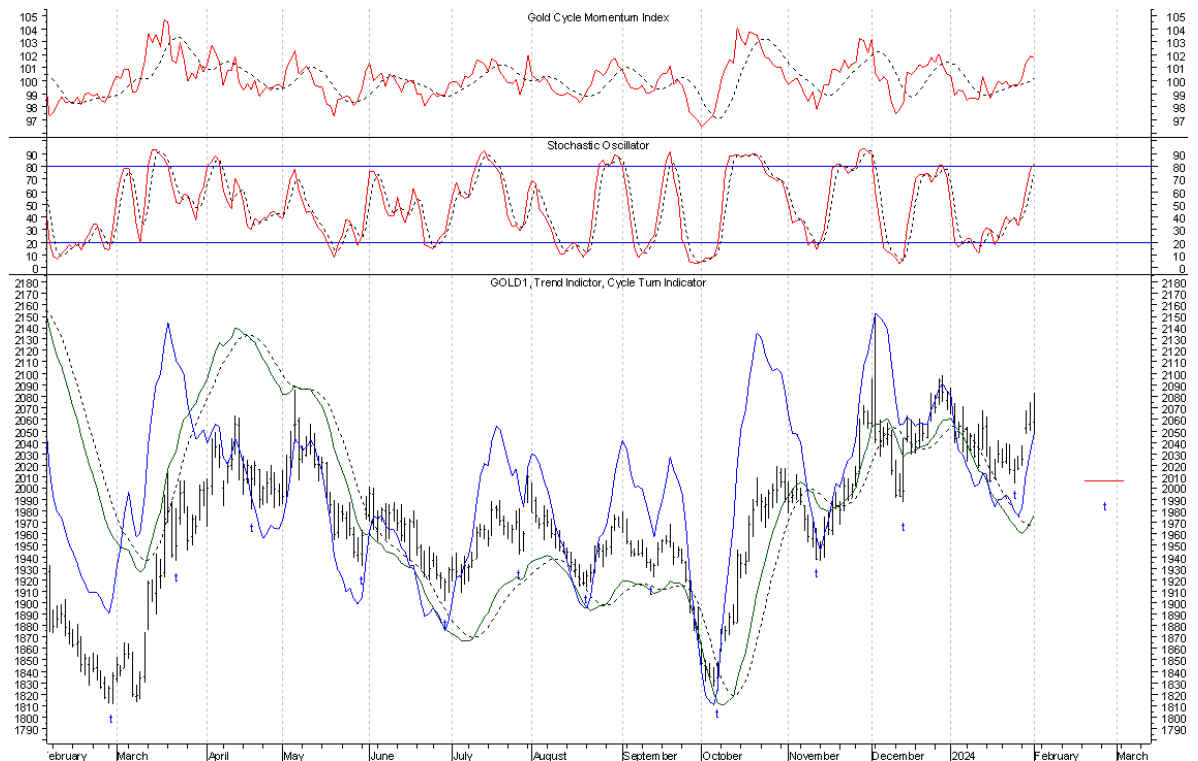


Gold

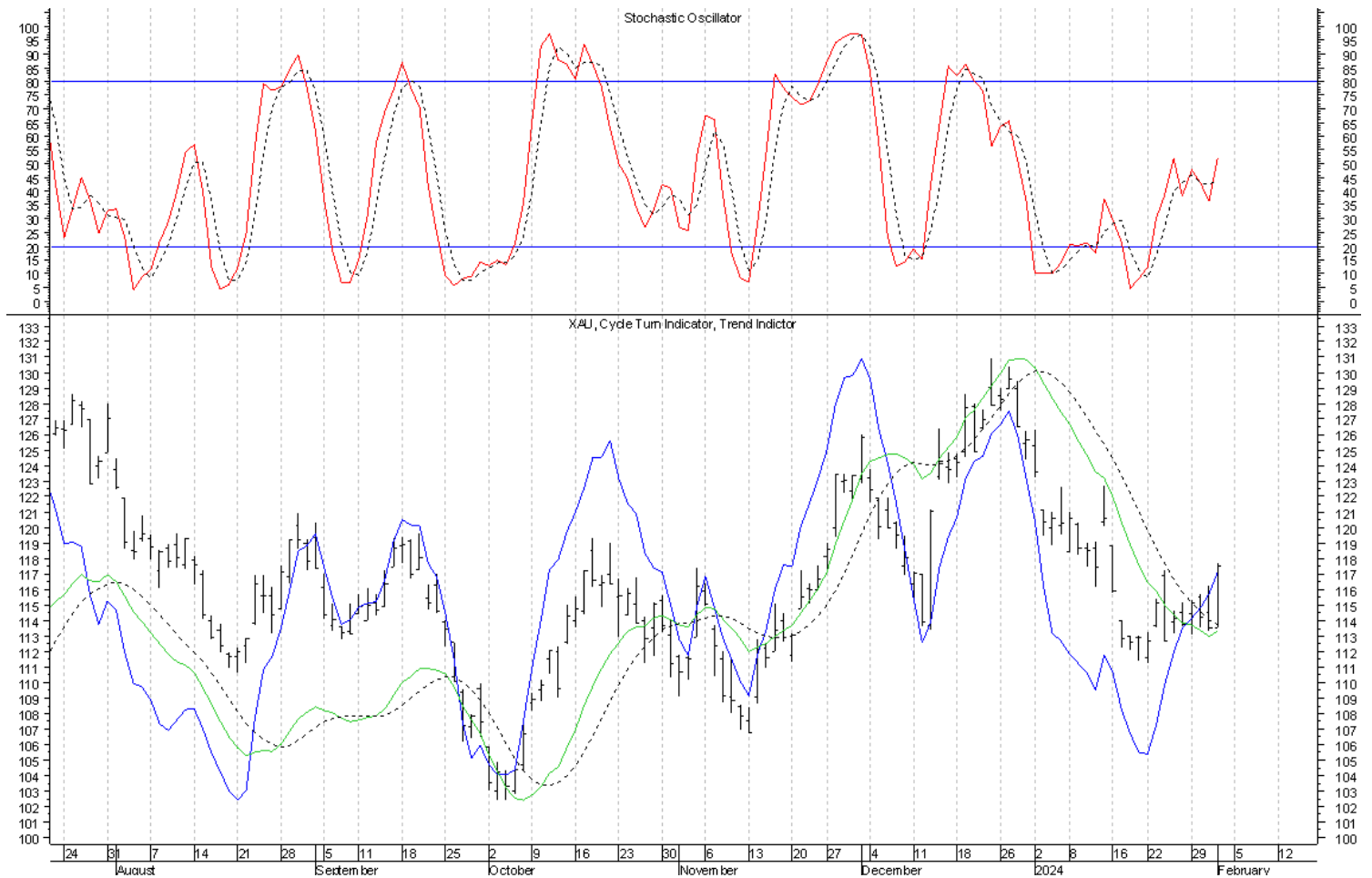
End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell	
Primary Indicators	
Formation of a Weekly Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bearish

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	Bullish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bullish

The timing band for the current trading cycle low runs between January 9th and January 23rd. The evidence has been suggestive of this low having been seen on January 17th, but with the slight undercutting of that low on January 25th and the advance that has followed, I have to adjust this phasing slightly in that this low was seen on January 25th in conjunction with that marginally lower low. The advance out of this low remains intact and with Gold just now having moved into the early side of the timing band for the higher degree intermediate-term cycle low, the expectation has been for there to be another trading cycle down into the intermediate-term cycle low. However, given the continued advance this week and the completion of a weekly swing low, it is possible the intermediate-term cycle low has been seen. More on this in the weekend update. Monday's 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 2,083.20 is not bettered and if 2,046.40 is violated.



Our daily chart of the XAU is next and the evidence continues to be suggestive of the trading cycle low having been seen on January 22nd. The short-term buy signal in association with this advance remains intact. As was the case with Gold, the price/oscillator picture earlier this week put the XAU at risk of a left-translated trading cycle top. But, with the short-term buy signal having held and the completion of another daily swing low on Thursday, the price/oscillator picture has greatly improved and until a daily swing high and downturn of the daily CTI are seen, the ongoing short-term buy signal will remain intact. A daily swing high will be completed on Friday if 117.72 is not bettered and if 113.54 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)	Bearish
Cycle Momentum Indicator	Bullish

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

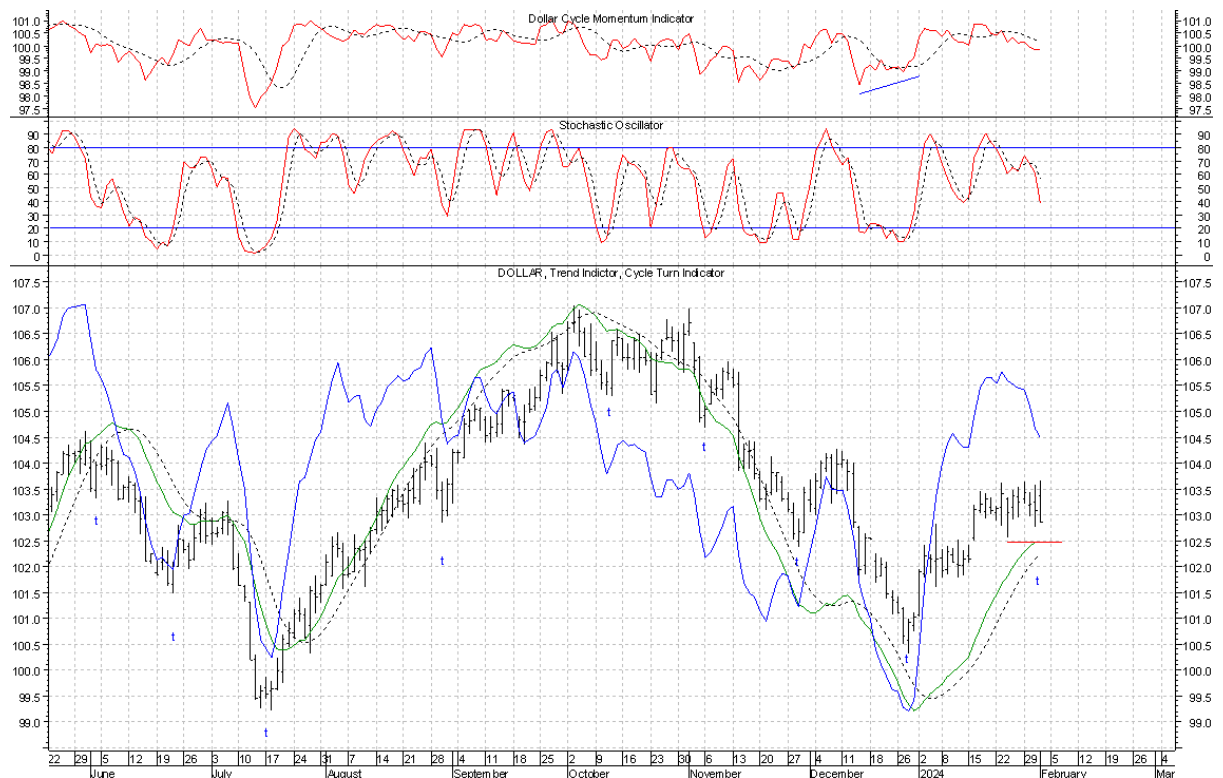
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish

Secondary Indicators

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

The timing band for the current trading cycle low runs between January 24th and February 7th. The price action on January 24th completed the formation of another daily swing high and with the downturn of the daily **CTI** a short-term sell signal was triggered. But, as explained last week, because of the January 24th reversal off the low, we needed to see a close below the January 24th low as confirmation of this signal. On Thursday the Dollar completed the formation of another daily swing low, but reversed lower and thus far the additional confirmation of the short-term sell signal with a close below the January 24th daily swing low has not been seen. Once the short-term sell signal is confirmed, we should also have confirmation of the trading cycle top. Another daily swing high will be completed on Friday if 103.65 is not bettered and if 102.84 is violated. If the decline into the trading cycle low completes the formation of a weekly swing high, then the

Dollar will be at further risk of the intermediate-term cycle top as well. The alternative that is potentially shaping up is that the trading cycle low was seen on January 24th and that we have a left-translated trading cycle in the making. More on this as it develops.

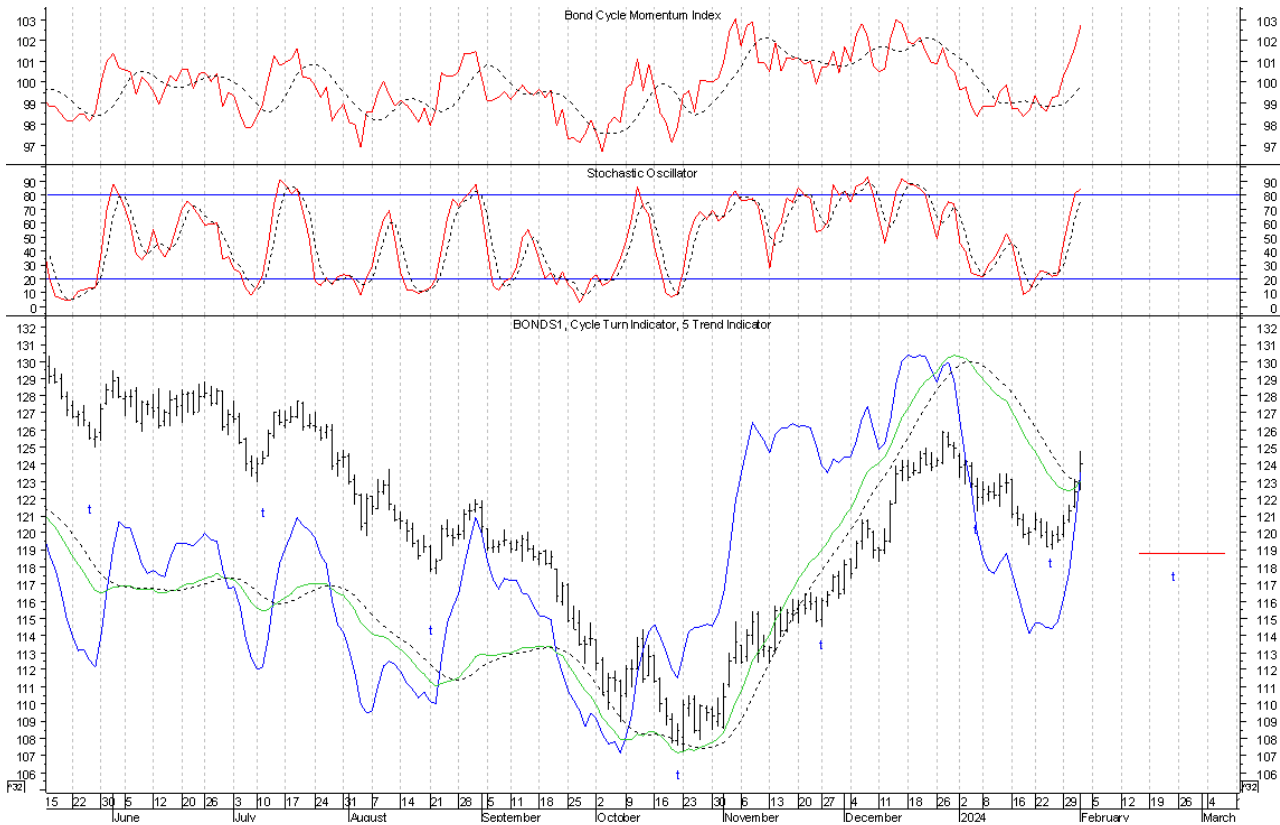


Bonds

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

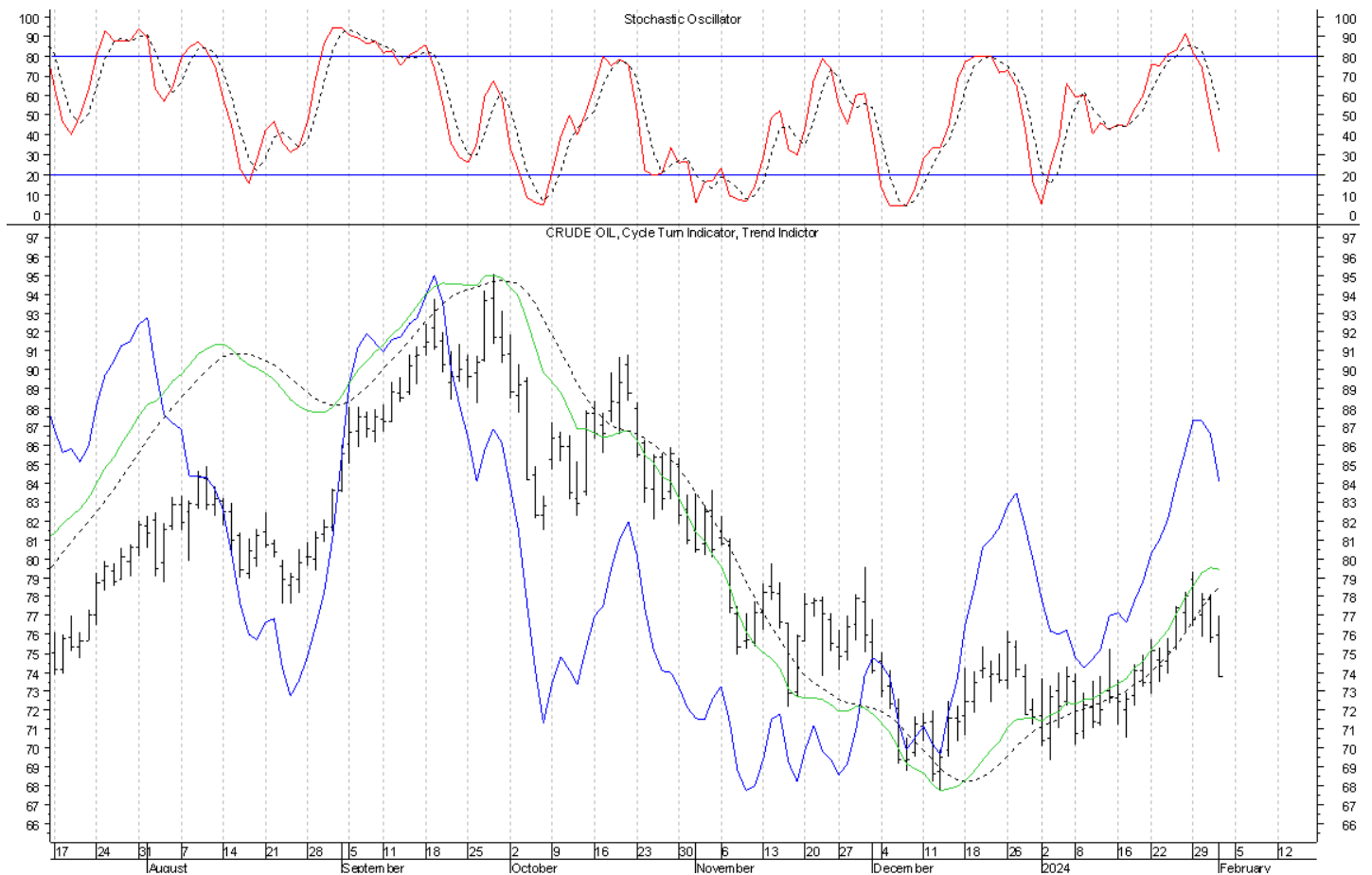
Daily Indicator Summary Short-Term Buy	
Primary Indicators	
Formation of a Daily Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bullish

The trading cycle low was seen on January 25th and the timing band for the next trading cycle low runs between February 15th and March 7th. With the timing band for the higher degree intermediate-term cycle low still ahead, the advance out of this trading cycle low should be counter-trend and followed by continued weakness into the intermediate-term cycle low. For now, this short-term buy signal and upturn out of the trading cycle low will remain intact until another daily swing high and downturn of the daily CTI are seen.



Crude Oil

The price action on Tuesday completed the formation of a daily swing high and with the downturn of the daily **CTI**, a short-term sell signal was triggered. As discussed Tuesday night, we knew that the overall price/oscillator picture was ripe for a top, but because of the reversal off the low, we needed to see a close below Tuesday's low as confirmation of the short-term sell signal. With the decline on Wednesday, that confirmation was seen and more weakness followed on Thursday. This weekly reversal lower is suggestive of the intermediate-term advance having possibly run its course. If the decline in association with this short-term sell signal completes the formation of a weekly swing high, then the intermediate-term advance will certainly be at increased risk of the intermediate-term cycle top having been seen. If a weekly swing high is not completed, then higher prices in association with the higher degree intermediate-term cycle low will be expected to follow. For now, 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 73.70 holds and if 76.95 is bettered.



©2024 Cycles News & Views; All Rights Reserved

timwood1@cyclesman.com