

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 February 6, 2024

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

February 6, 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	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 Sell/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)	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	Bullish
Ratio Adjusted McClellan Oscillator Crossover	Bearish
Accumulation/Distribution Index	Bearish

Every indication has been that the trading cycle low was seen on January 18th and that has clearly proven to have been the case. With the completion of a daily swing low on Friday, Thursday’s questionable short-term sell signal was not confirmed. On Monday, the Industrials completed the formation of another daily swing high, which technically triggered another short-term sell signal and given the overall price/oscillator picture, along with last Thursday’s unconfirmed short-term sell signal, the evidence is indeed suggestive of a top. But, as additional confirmation of these sell signals, I want to see a solid close below Monday’s low. With a close below last Thursday’s low the half-trading cycle top should certainly be in place, which will put the Industrials at further risk of the trading cycle top and what should also then be the higher degree intermediate-term cycle top as well. The timing band for the next trading cycle low runs between February 27th and March 18th. 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 this higher degree intermediate-term cycle top to occur in conjunction with the current/pending trading cycle top. If the

decline in association with this short-term sell signal 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.

Crude Oil completed the formation of a daily swing low on Tuesday, but with the daily CTI remaining negative a short-term buy signal was not triggered. Structurally, with a weekly swing high now in place, the advance out of this daily swing low will now serve as a test of the intermediate-term cycle top.

Gasoline also completed the formation of a daily swing low, but here too, a short-term buy signal was not triggered and this advance will serve as a structural test of the higher degree intermediate-term cycle top. The short-term sell signal on Natural Gas remains intact and at a higher level every indication is that the intermediate-term cycle top has been seen.

The CRB Index completed the formation of a daily swing low on Monday and more strength followed on Tuesday, but thus far, the previously triggered short-term sell signal also remains intact. The recent trading cycle top is an opportunity to also cap that higher degree intermediate-term cycle top and as with Crude Oil and Gasoline, this advance now serves as a structural test of that top.

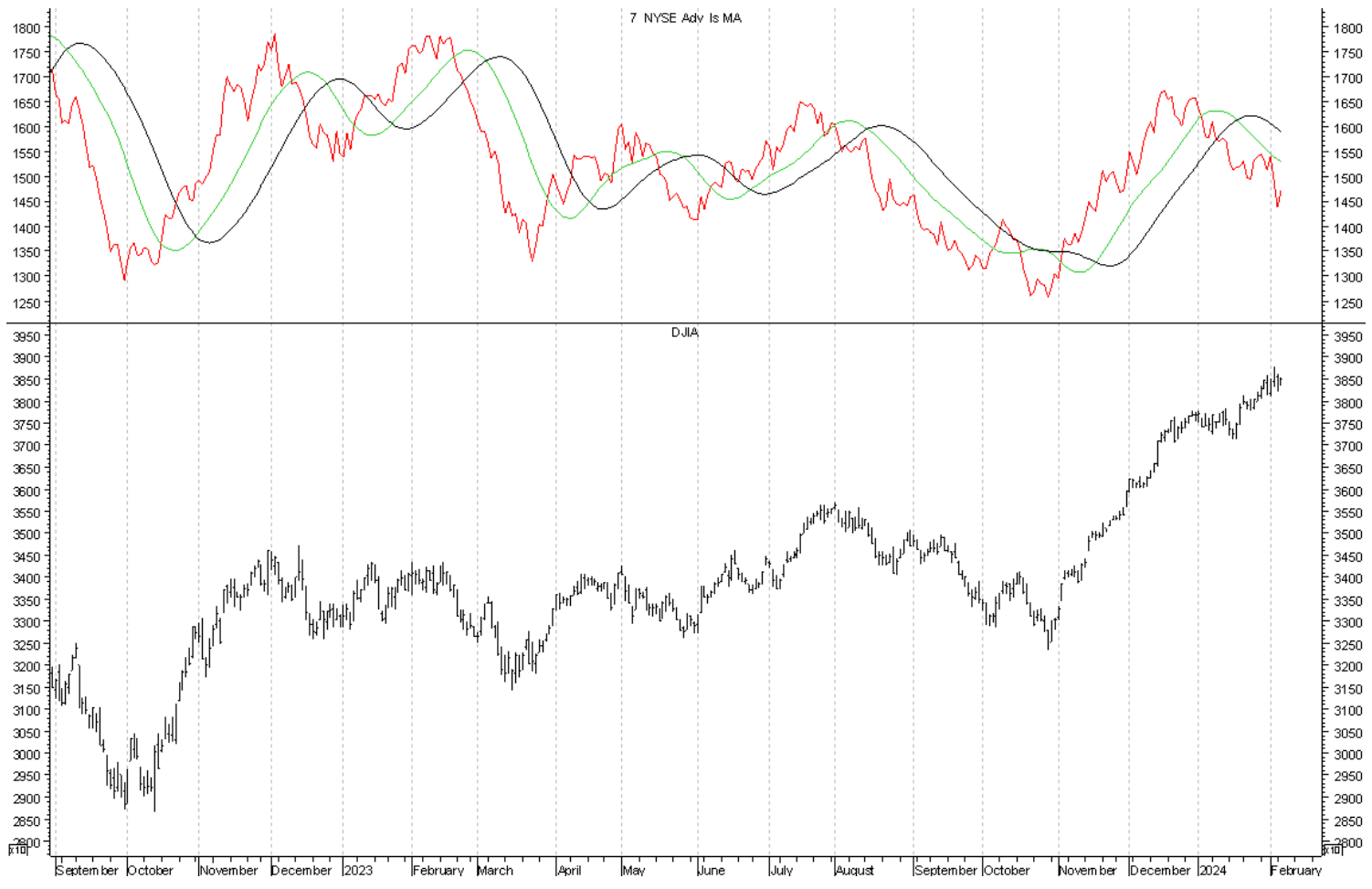
On Friday Gold completed the formation of a daily swing high and Monday's downturn of the daily CTI triggered a short-term sell signal. As a result, Gold remains at risk of a left-translated trading cycle top.

The XAU triggered a short-term sell signal on Friday and the continued weakness that followed on Monday is suggestive of a left-translated trading cycle top. As a result, Tuesday's completion of a daily swing low should prove to be counter-trend.

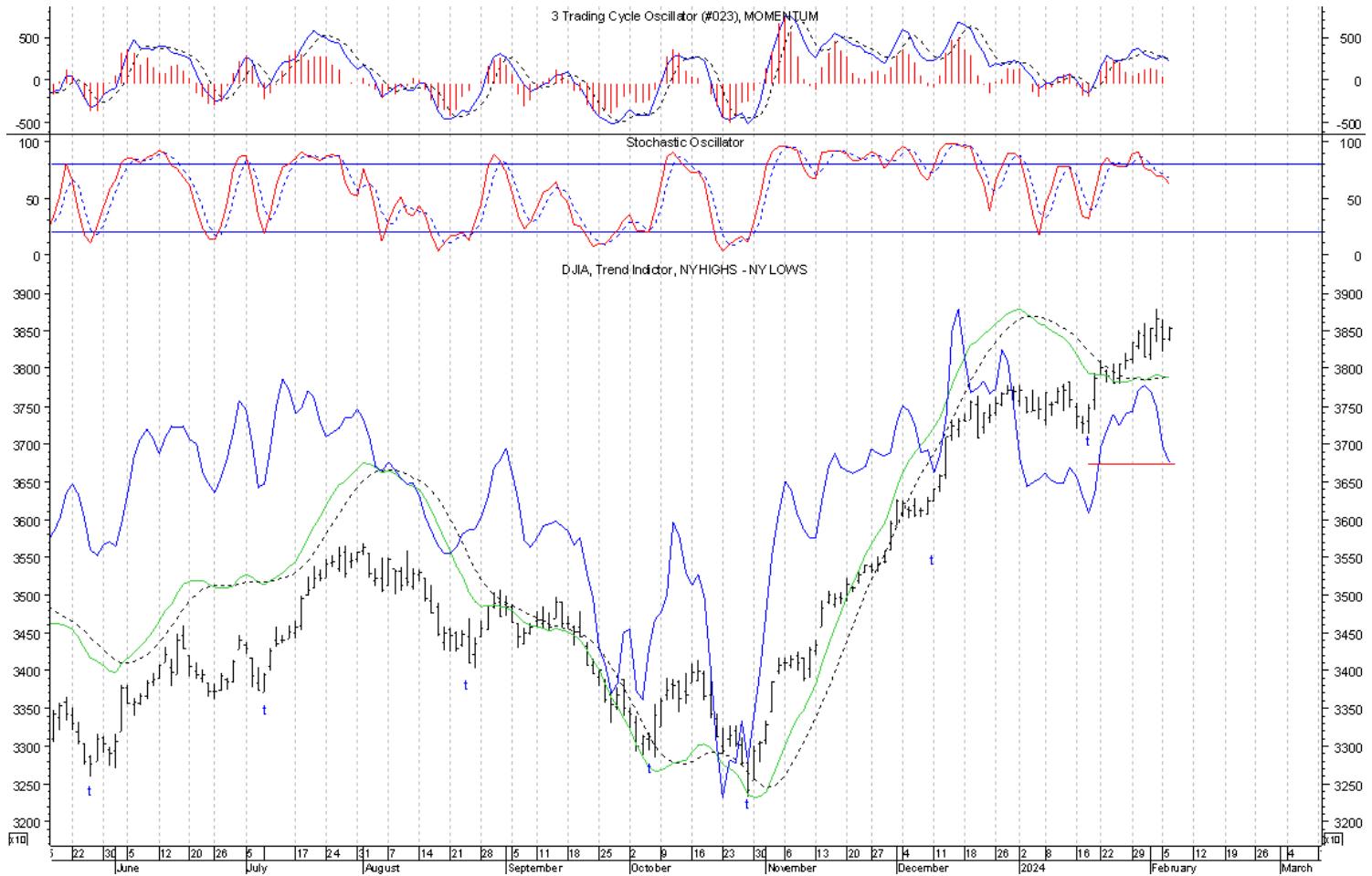
The trading cycle on the Dollar proved to bottom on January 24th and the current price/oscillator picture leaves the Dollar at risk of a possible left-translated trading cycle top, but for now, the short-term buy signal will remain intact until another daily swing high and downturn of the daily CTI are seen.

Bonds completed the formation of a daily swing high on Friday, which in doing so put Bonds at risk of a left-translated trading cycle top. The continued weakness on Monday triggered a short-term sell signal and until proven otherwise, the assumption is that we have a left-translated trading cycle at play.

The Intermediate-Term Advancing Issues Line, plotted in red, has ticked back up, but the overall oscillator picture here continues to be suggestive of an ending move into a top. The Green MA continues its downturn below the Black MA. 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.

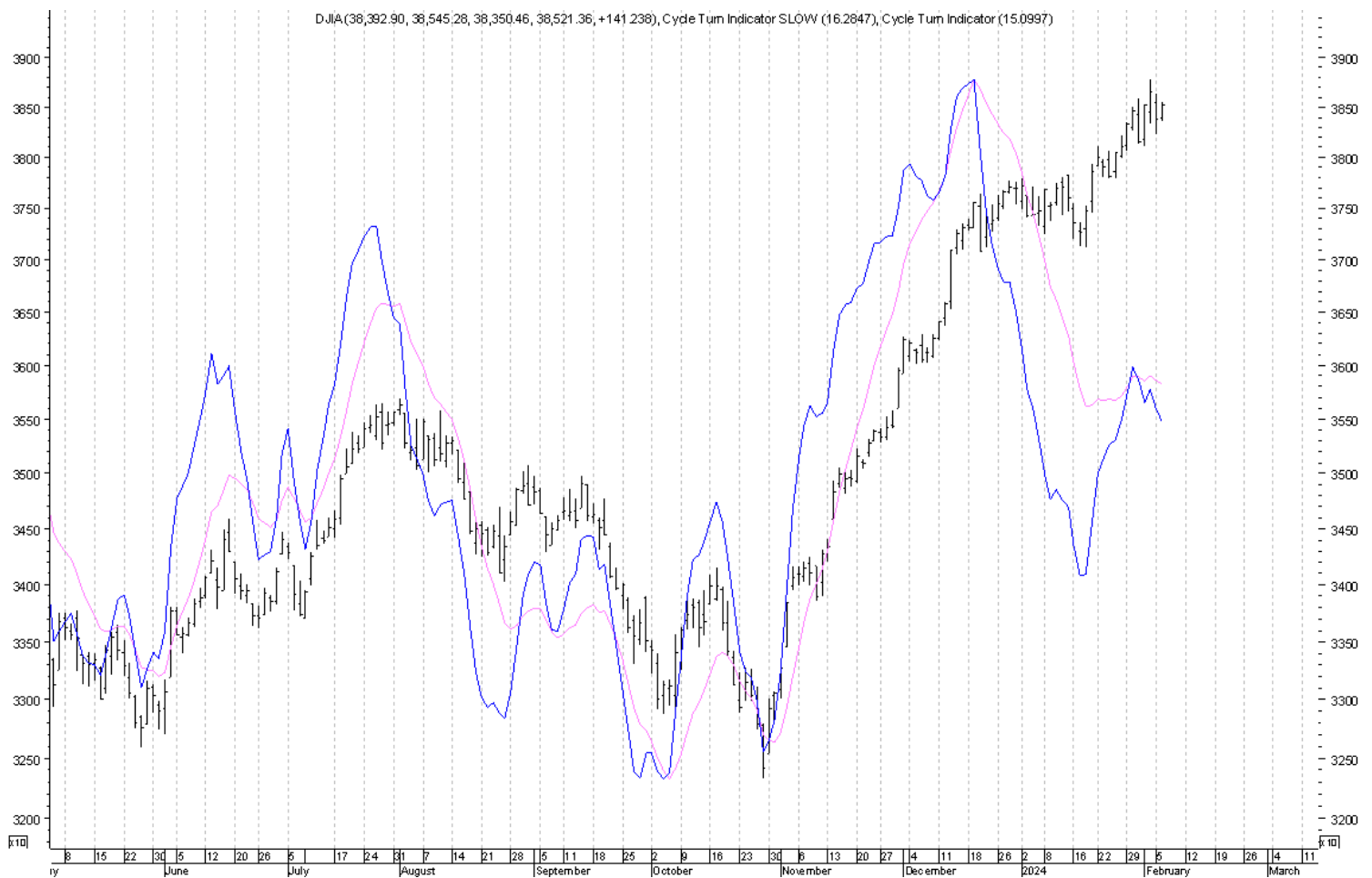


The **Trading Cycle Oscillator** in the upper window continues its recent downturn. The **Momentum Indicator** has also turned down and is sitting marginally above its zero line. The **5 3 3 Stochastic** in the middle window continues its downturn from overbought territory. The behavior of these indicators has been suggestive of the trading cycle low and now is suggestive of a top. The **New High/New Low Differential**, plotted with price, turned down last Thursday and that downturn continues. While marginal, the recent upturn of the **Trend Indicator** has been suggestive of the trading cycle low and the downturn that is currently in the making is consequently suggestive of the trading cycle top.

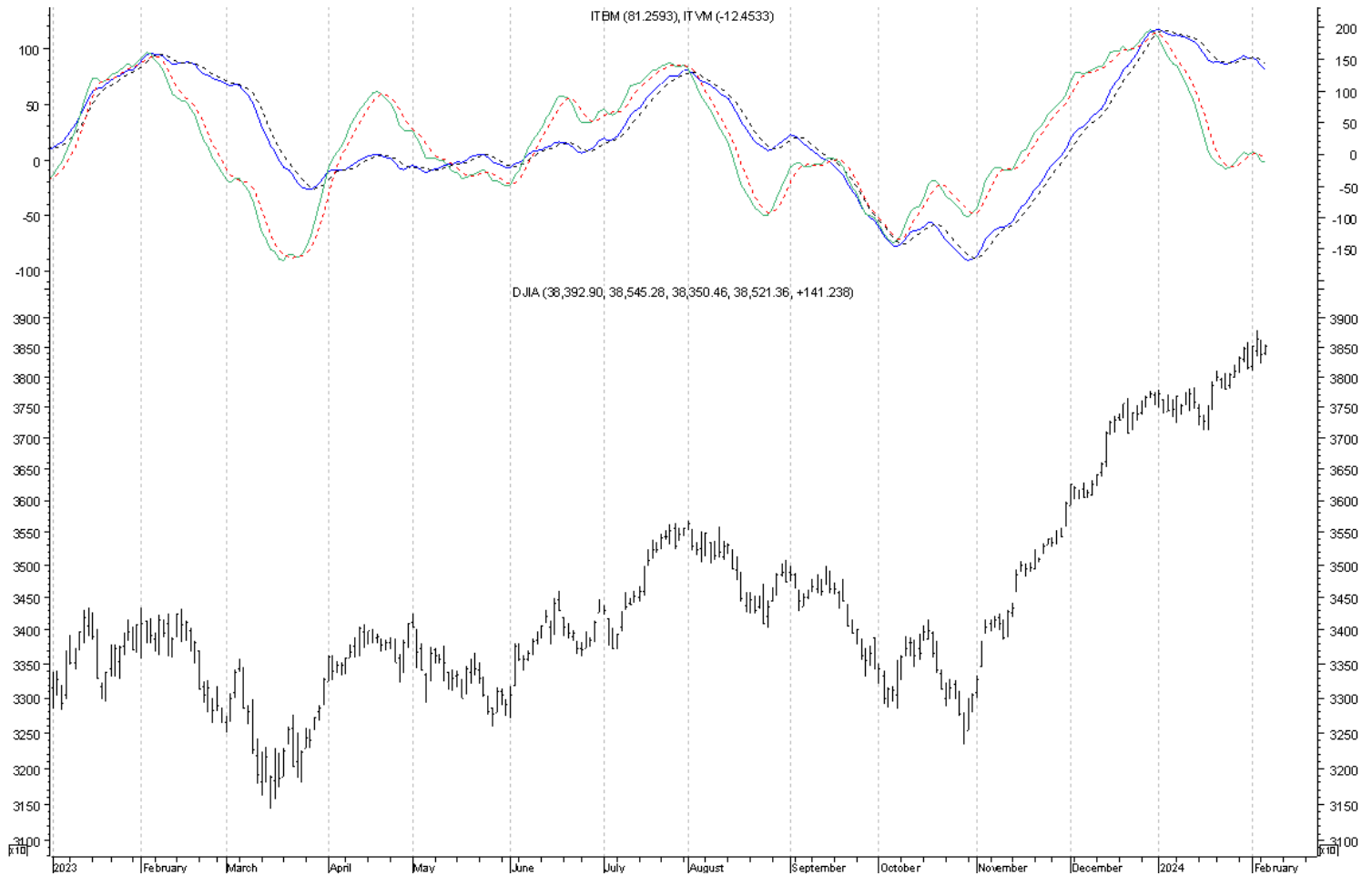


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

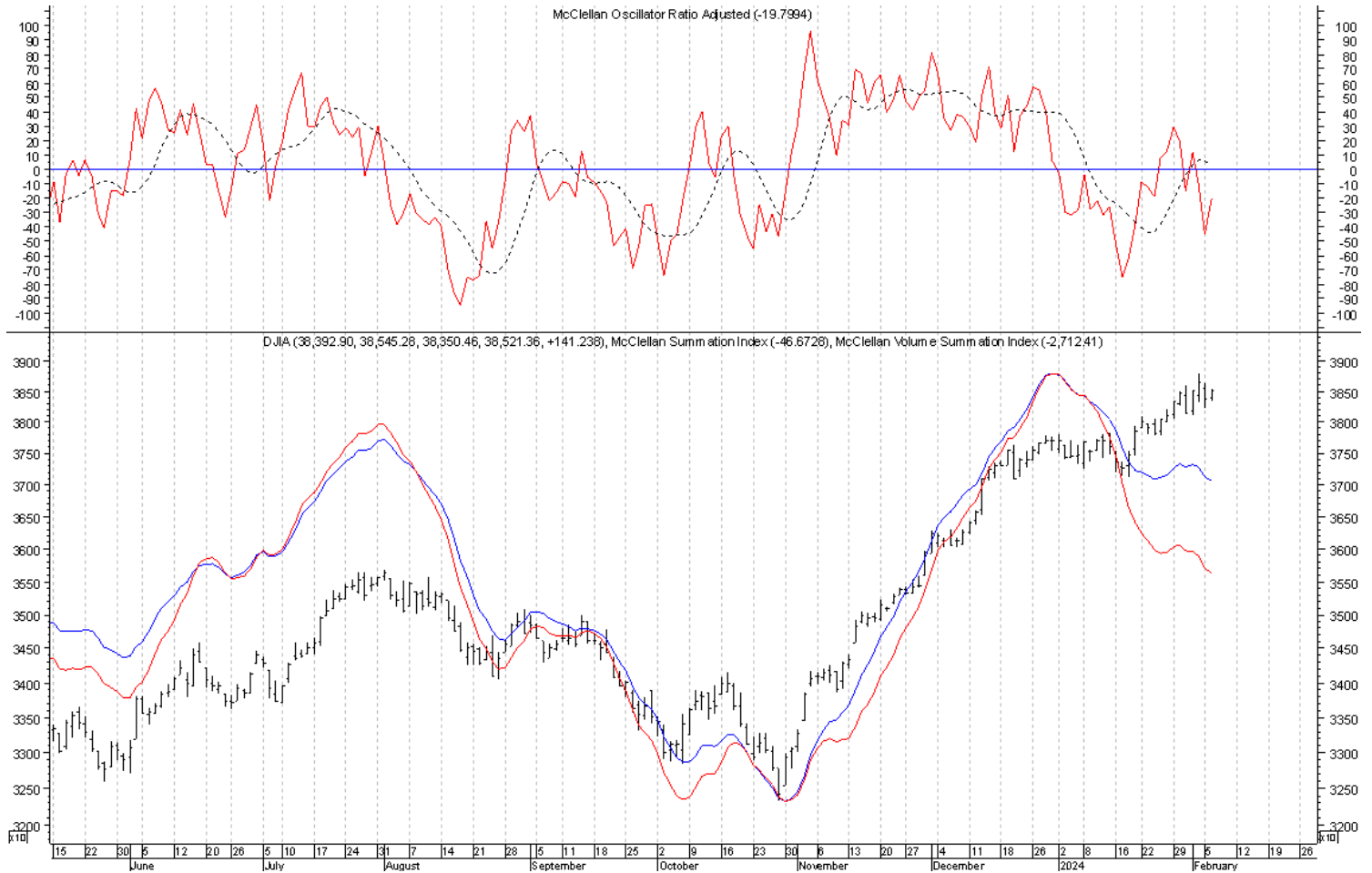
With the completion of a daily swing high and downturn of ALL Three of the Primary Short-Term Indicators last Thursday, a short-term sell signal was triggered, but because of the reversal higher that sell signal needed to be discounted until a close below Thursday's low was seen. Per the parameters given here in last Thursday night's update, the price action on Friday completed the formation of another daily swing low and as a result that confirmation was not seen. On Monday another daily swing high was completed, which with the Three Primary Short-Term Indicators negative, another short-term sell signal was technically triggered. However, as confirmation of this signal, I now want to see a close below Monday's low.



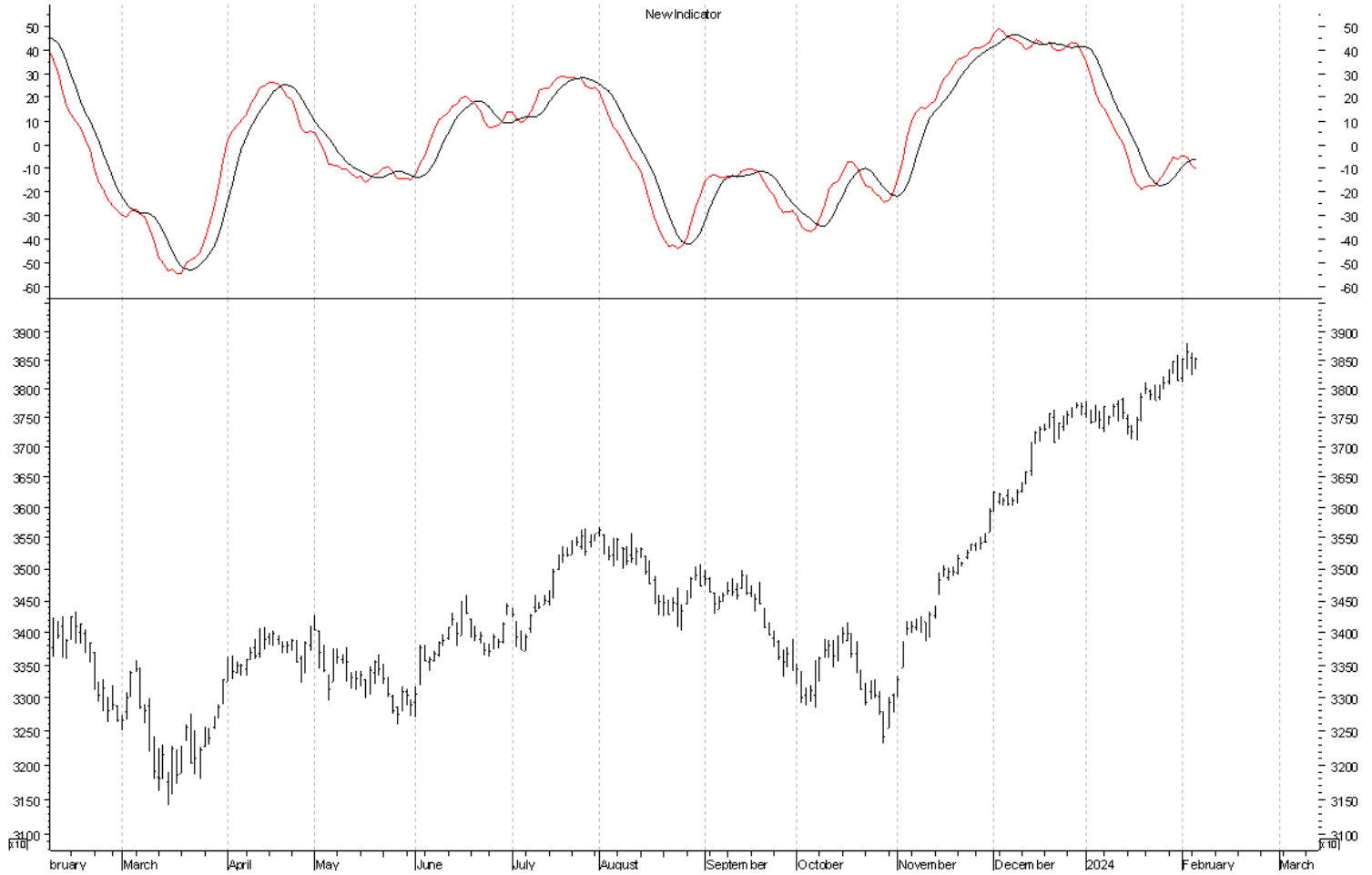
Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** continue their downturns, which in doing so continues to be suggestive of the trading cycle advance having run its course. Confirmation of a solid short-term sell signal in conjunction with the joint downturns of these indicators will be further indicative of the trading cycle top having been seen.



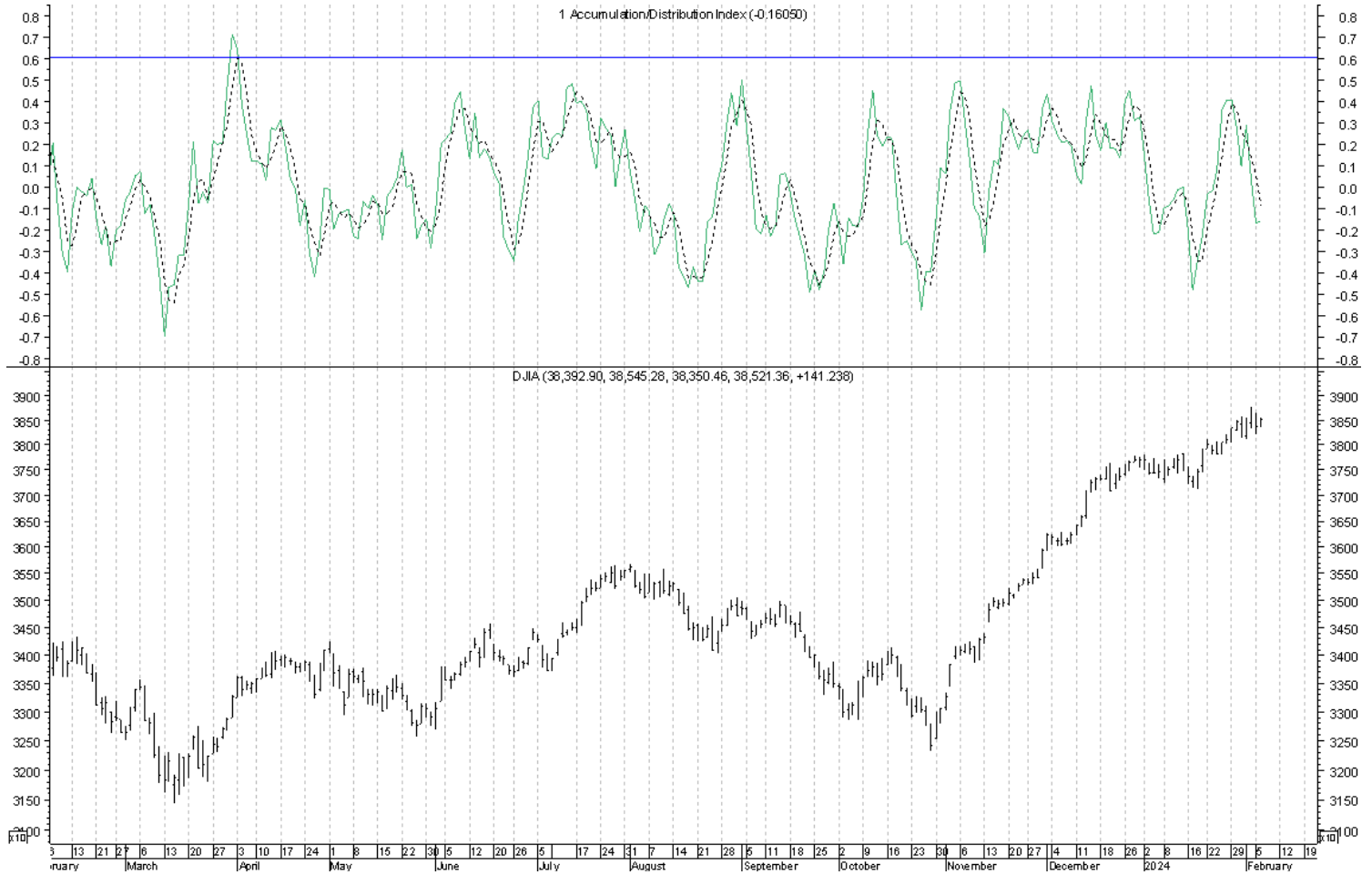
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their downturns, which here too, is suggestive of the trading cycle top. The **Ratio Adjusted McClellan Oscillator** has turned back up, but remains below both its zero and trigger line. Here too, the oscillator picture is suggestive of the trading cycle top, but I want to see the current short-term sell signals confirmed as further evidence of this top.



The upturn of the smoothed McClellan oscillator was reflective of the advance out of the trading cycle low with the downturn this week now suggestive of the trading cycle top. But again, we need to see confirmation of the short-term sell signals.



The **Accumulation/Distribution Index** turned down last week and as a result, we knew that the non-confirmation has been suggestive of a pending top, which should be in place once a solid short-term sell signal is seen.

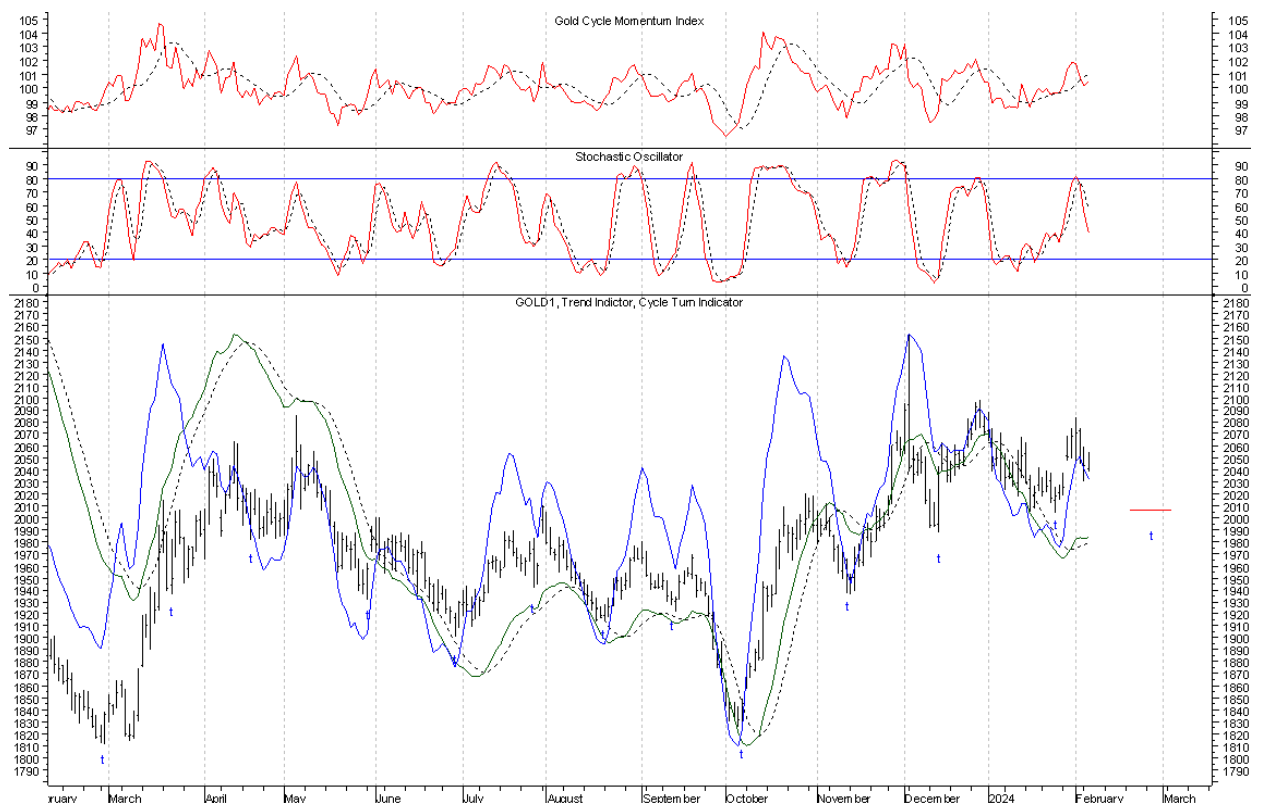


Gold

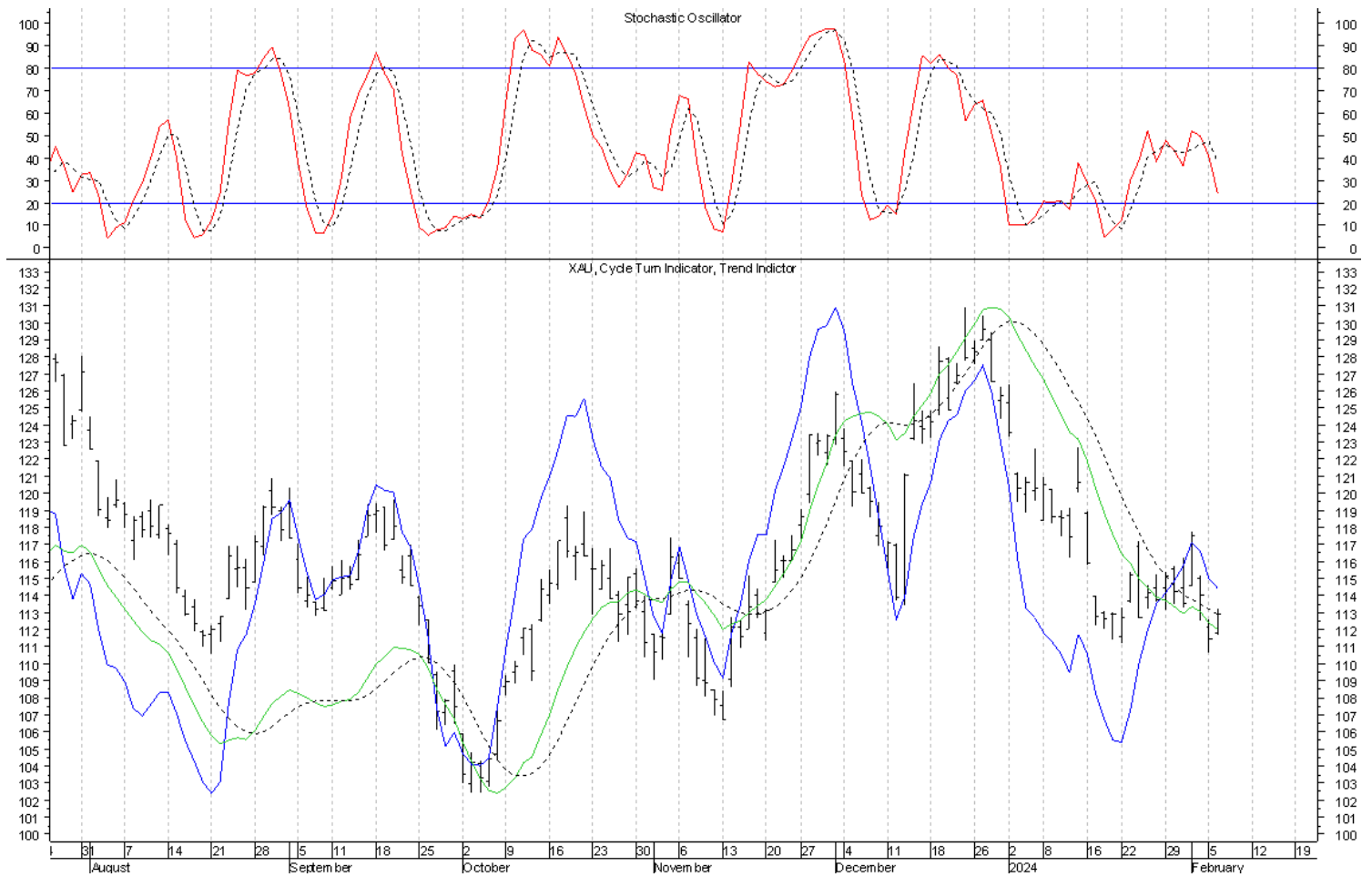
End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell	
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bearish

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)	Bullish
Cycle Momentum Indicator	Bearish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bearish

The timing band for the recent trading cycle low ran between January 9th and January 23rd. The evidence has been suggestive of this low having been seen on January 17th, but as explained last week, with the slight undercutting of that low on January 25th and the advance that followed, this low proved to have bottomed on January 25th in conjunction with that marginally lower low. On Friday Gold completed the formation of a daily swing high, which in doing so we knew left Gold at risk of a left-translated trading cycle top. With the additional weakness on Monday turning the daily CTI down, a short-term sell signal was triggered, which in turn is further suggestive of the trading cycle top and with Tuesday being an inside day, there were no additional changes. 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 Wednesday if 2,030.80 holds and if 2,059.10 is bettered.



Our daily chart of the XAU is next. The price action on Friday completed the formation of a daily swing high and with the downturn of the daily CTI, a short-term sell signal was triggered. In doing so, this left the XAU at risk of a left-translated trading cycle top and given the violation of the January 22nd daily swing low on Monday, this has proven correct. The price action on Tuesday completed the formation of a daily swing low, but with the daily CTI remaining negative, a short-term buy signal was not triggered and based on the violation of the January 22nd low, this advance should prove to be counter-trend and followed by further weakness. Another daily swing high will be completed on Wednesday if 113.21 is not bettered and if 111.67 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
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Daily Indicator Summary **Short-Term Buy**

Primary Indicators

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

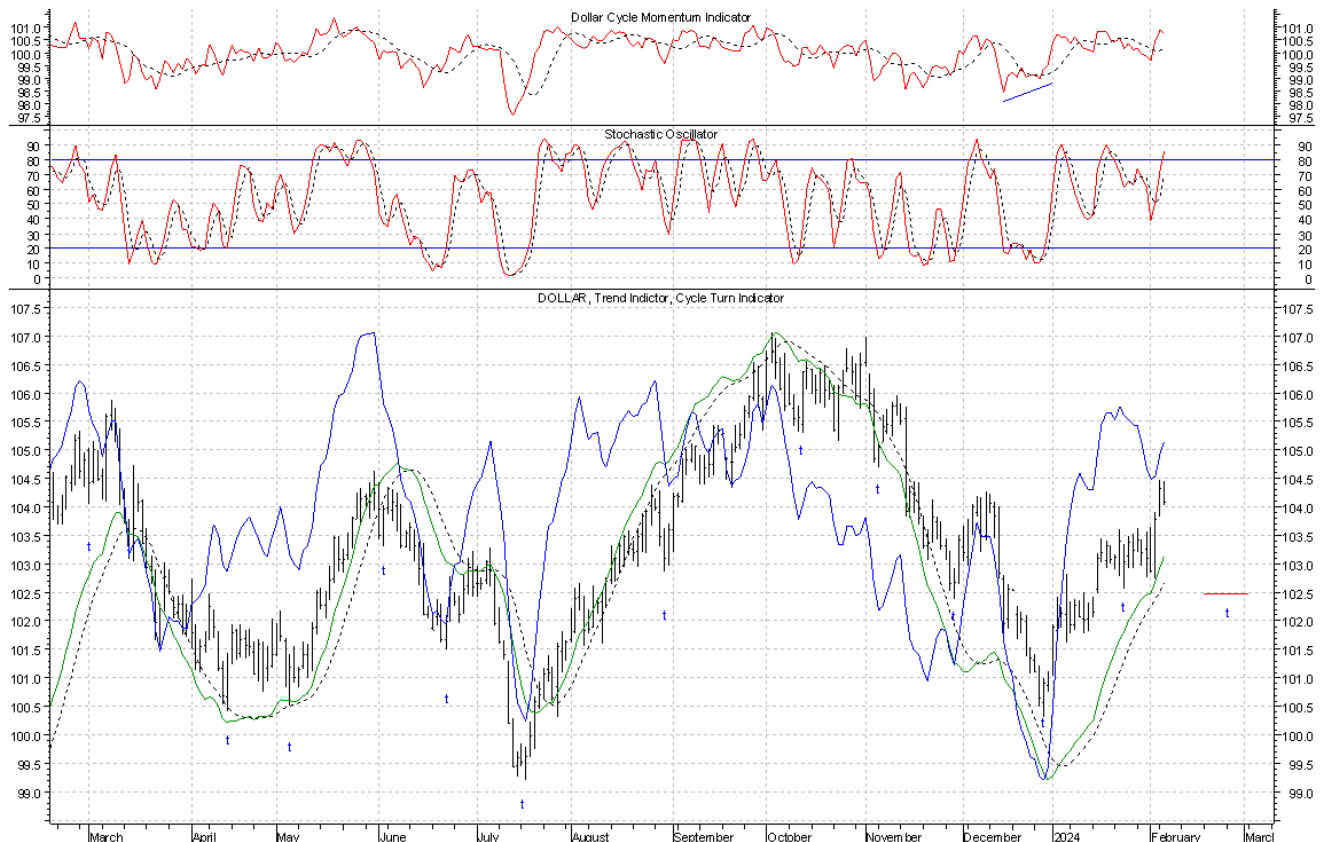
Confirming Indicators

Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish

Secondary Indicators

5 3 3 Stochastic	Bullish
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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 a daily swing high and with the downturn of the daily **CTI** a short-term sell signal was triggered, but that signal was never confirmed by a close below the January 24th low. Last week I explained that the evidence has been increasingly suggestive of the alternative phasing mentioned with the January 24th low having marked the trading cycle low. Given the continued advance this week, every indication is that this is in fact the case and that based on the current price/oscillator picture, the Dollar is now at risk of a left-translated trading cycle top. Another daily swing high will be completed on Wednesday if 104.46 is not bettered and if 103.84 is violated.

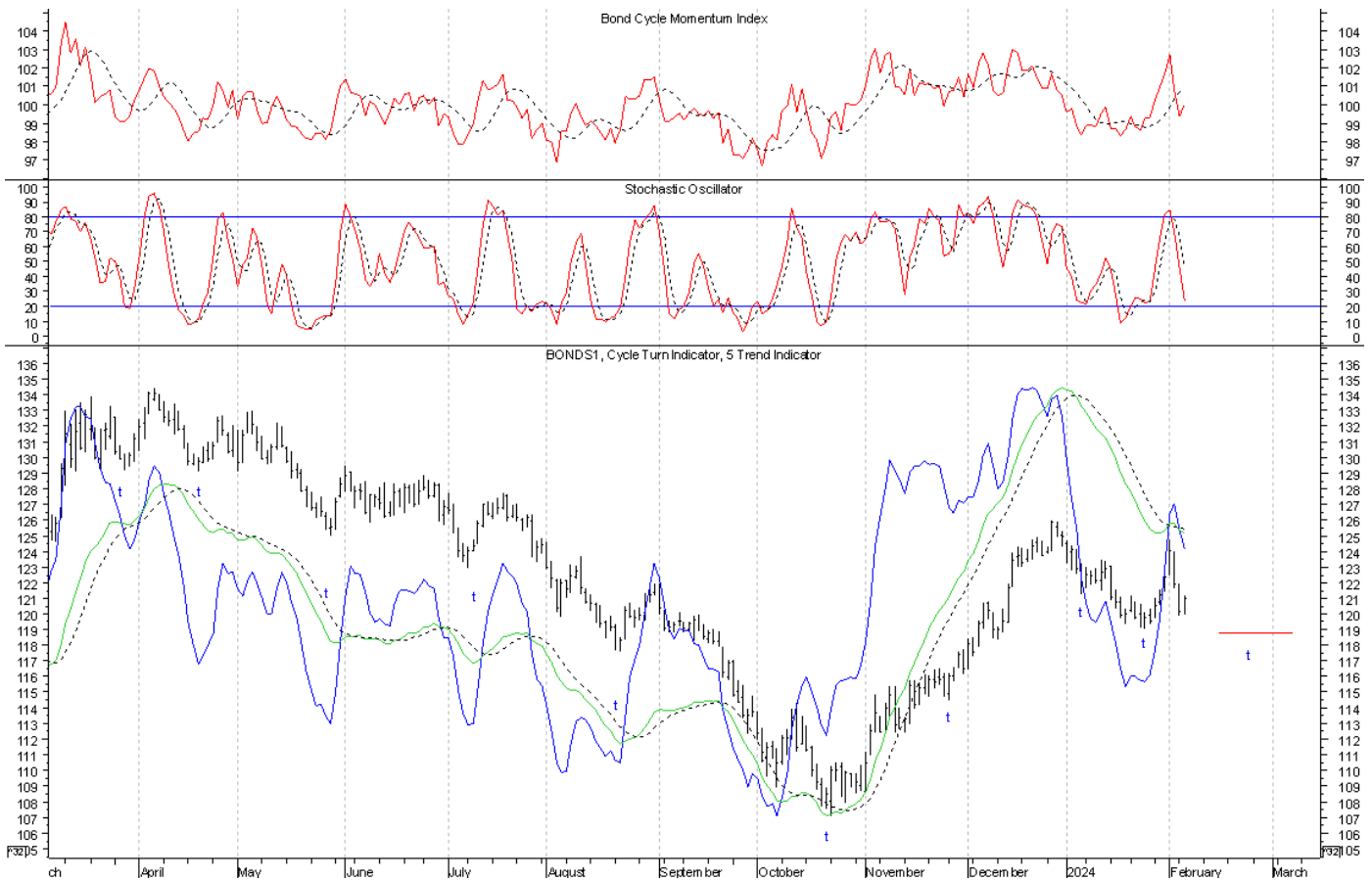


Bonds

End of Week Intermediate-Term Indicator Summary Intermediate-Term Neutral	
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	Bearish

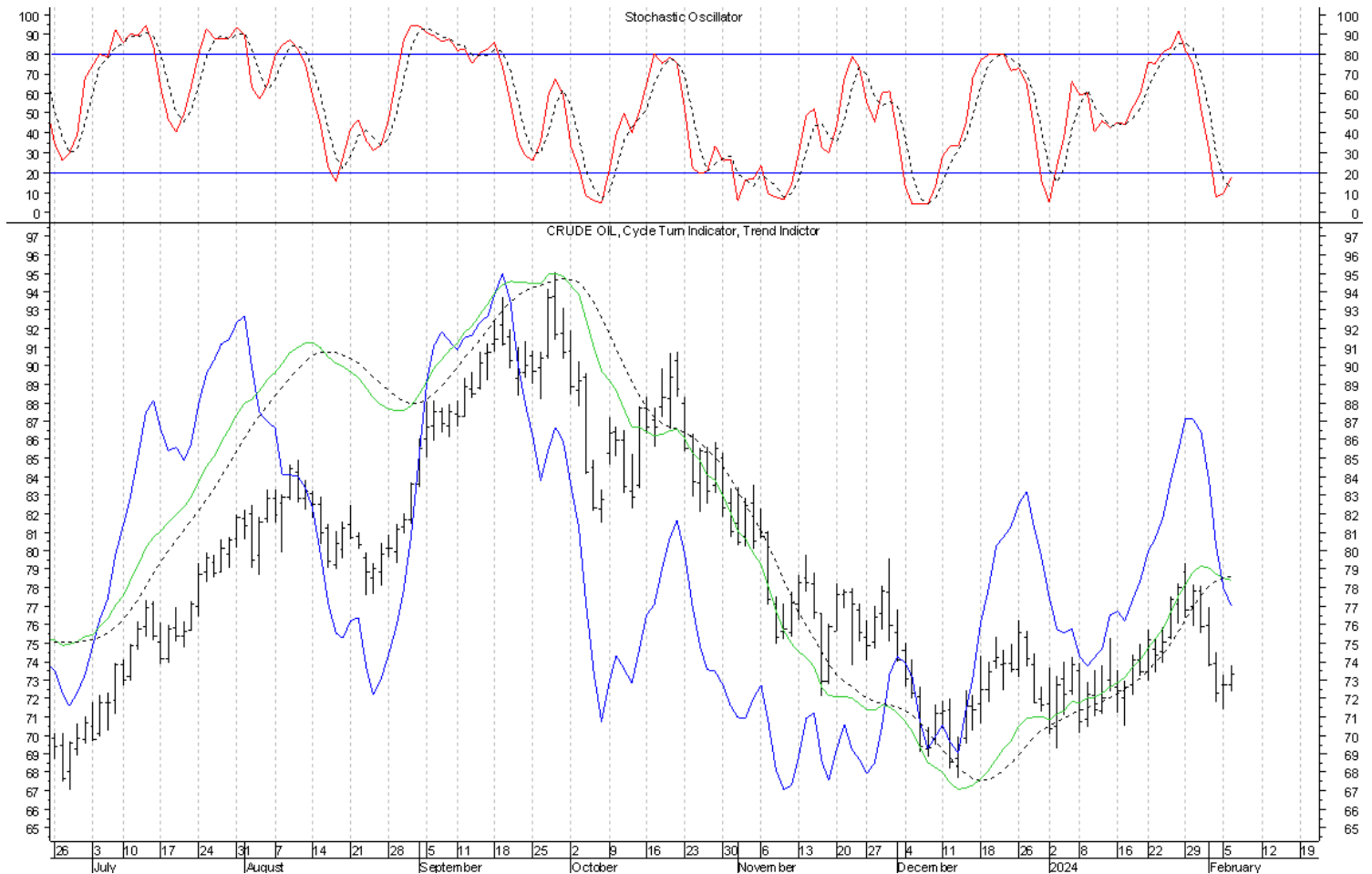
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bearish

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 expectation has been for the advance out of this trading cycle low to be counter-trend and followed by continued weakness into the intermediate-term cycle low. With the completion of a daily swing high on Friday, we knew that the advance out of the January 25th trading cycle low was at risk of having run its course and now with the downturn of the daily CTI on Monday, a short-term sell signal was triggered, which in doing so puts this trading cycle advance at further risk of having peaked.



Crude Oil

The price action on Tuesday completed the formation of a daily swing low and any further advance that turns the daily **CTI** up will trigger a short-term buy signal. The weekly reversal lower last week is suggestive of the higher degree intermediate-term advance having possibly run its course and we now have a marginal weekly swing high in place. It is now the advance in association with this swing low that will serve as a test of the intermediate-term cycle top. For now, the short-term sell signal will remain intact until both a daily swing low AND upturn of the daily **CTI** are seen. Another daily swing high will be completed on Wednesday if 73.82 is not bettered and if 72.38 is violated.



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