

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 8, 2024

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

Hey hello hello

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 8, 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
<i>*When this indicator is Bullish it is negative for the market and visa versa.</i>	

Daily Indicator Summary Short-Term Sell/Neutral	
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	Bullish
Cycle Momentum Indicator	Bearish
Trading Cycle Oscillator	Bearish
Momentum Indicator	Bullish
Ratio Adjusted McClellan Oscillator Crossover	Bearish
Accumulation/Distribution Index	Bullish

The trading cycle low was seen on January 18th and Thursday concluded the 15th trading day of this cycle. With the half-trading cycle averaging some 19 trading days, the Industrials should ideally be at or near a pause in association with a half-trading cycle top. 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 the February 1st unconfirmed short-term sell signal, the evidence has been suggestive of a top. But, as discussed in the Tuesday night update, as additional confirmation of these sell signals, I wanted to see a solid close below Monday's low, which with the completion of a daily swing low on Wednesday and the continued advance on Thursday, we have not seen. Any further advance that turns both of the daily Cycle Turn Indicators back up will re-trigger a short-term buy signal, whereas a close below Monday's low will confirm the short-term sell signal and what should at least be a pause into the half-trading cycle low. 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

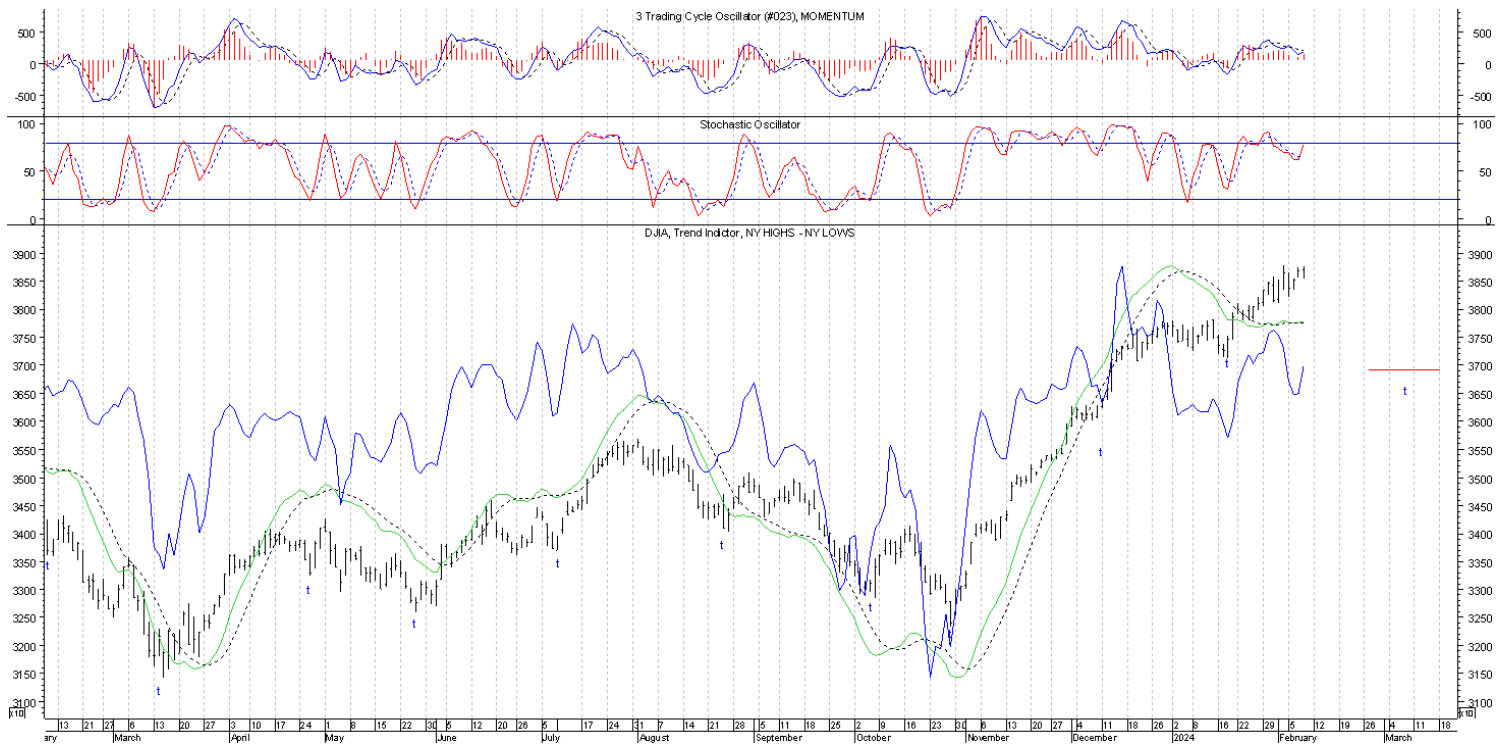
19th. With this timing band approaching, the expectation is for this higher degree intermediate-term cycle top to occur in conjunction with the current/pending trading cycle top. If the decline in association with the half-trading cycle top completes the formation of a weekly swing high, then we should 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.

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. With the advance since having turned the daily CTI back up, a short-term buy signal has been triggered and with a weekly swing high in place, the advance in association with Tuesday's completion of a daily swing low continues to serve as a structural test of the intermediate-term cycle top. Gasoline also completed the formation of a daily swing low on Tuesday and here too, a short-term buy signal has since been triggered. As with Crude Oil, the advance in association with Tuesday's completion of a daily swing low served as a structural test of the higher degree intermediate-term cycle top and with the bettering of the January high, the intermediate-term advance has proven to still be intact. The short-term sell signal on Natural Gas remains intact and in this case, every indication is that the higher degree 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, with a short-term buy signal following on Wednesday. As with Crude Oil and Gasoline, the January trading cycle top was an opportunity to also cap the higher degree intermediate-term cycle top, but here too, every indication is that we are seeing a continued push up into that higher degree cycle top. On February 2nd 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 February 2nd and the continued weakness that followed on Monday was suggestive of a left-translated trading cycle top. As a result, we knew that Tuesday's completion of a daily swing low should prove to be counter-trend, which it has. The trading cycle on the Dollar proved to bottom on January 24th and the current price/oscillator picture continues to leave the Dollar at risk of a possible left-translated trading cycle top. Bonds completed the formation of a daily swing high on February 2nd, which in doing so also left Bonds at risk of a left-translated trading cycle top.

The Intermediate-Term Advancing Issues Line, plotted in red, has ticked back down and 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.

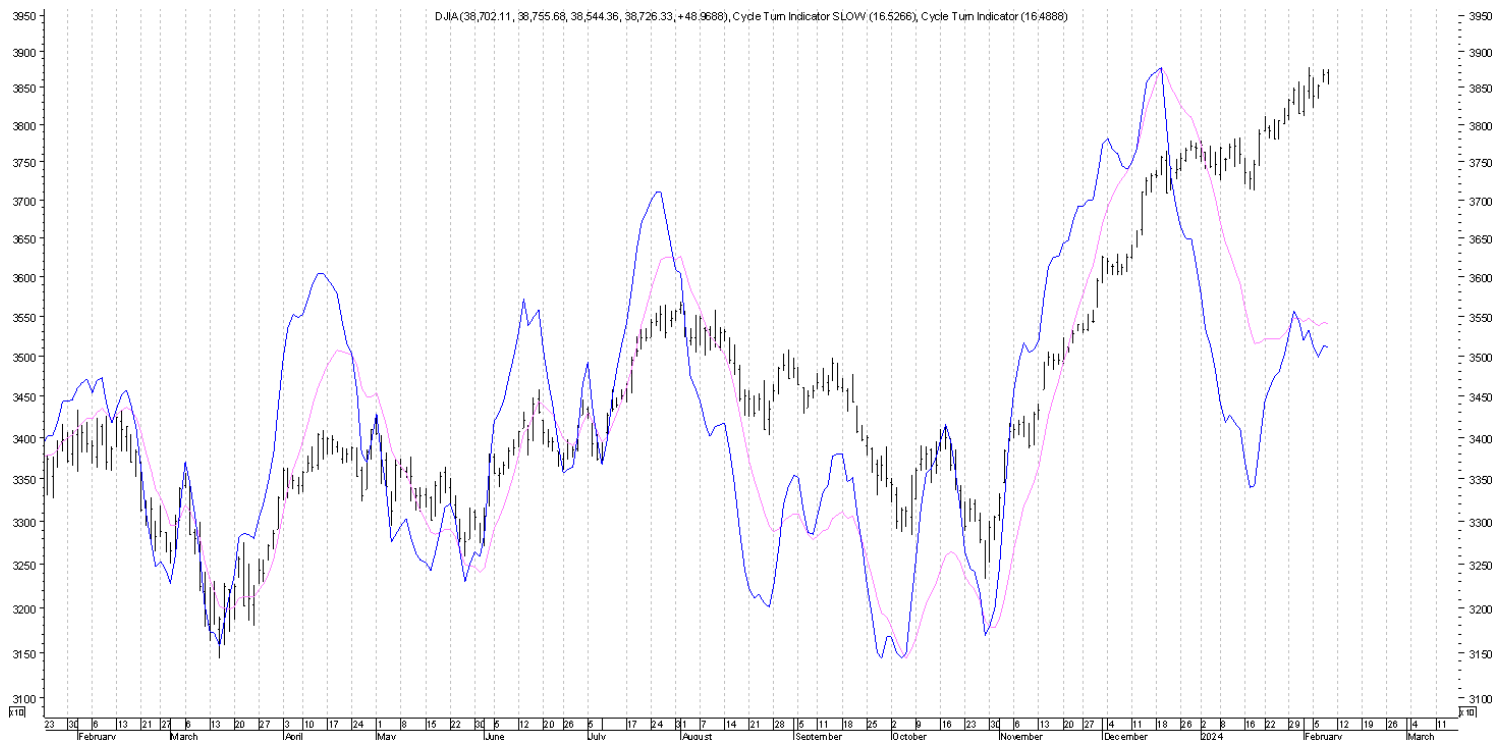


The **Trading Cycle Oscillator** in the upper window has ticked back up, but remains below its trigger line and continues to be suggestive of a top. The **Momentum** Indicator is also trying to turn back down, but remains marginally above its zero line. The **5 3 3 Stochastic** in the middle window has turned back up and is again approaching overbought territory. The **New High/New Low Differential**, plotted with price, has turned back up. 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.

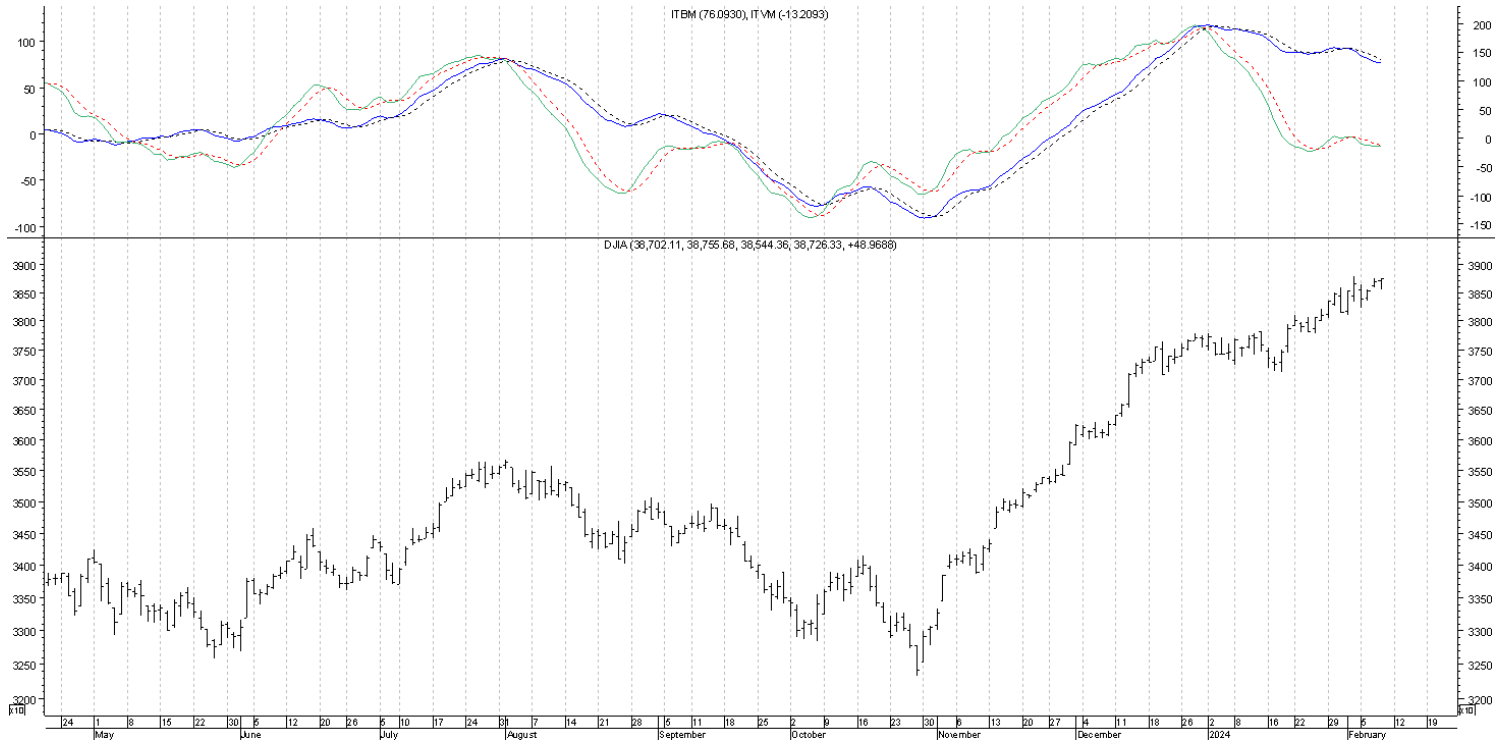


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

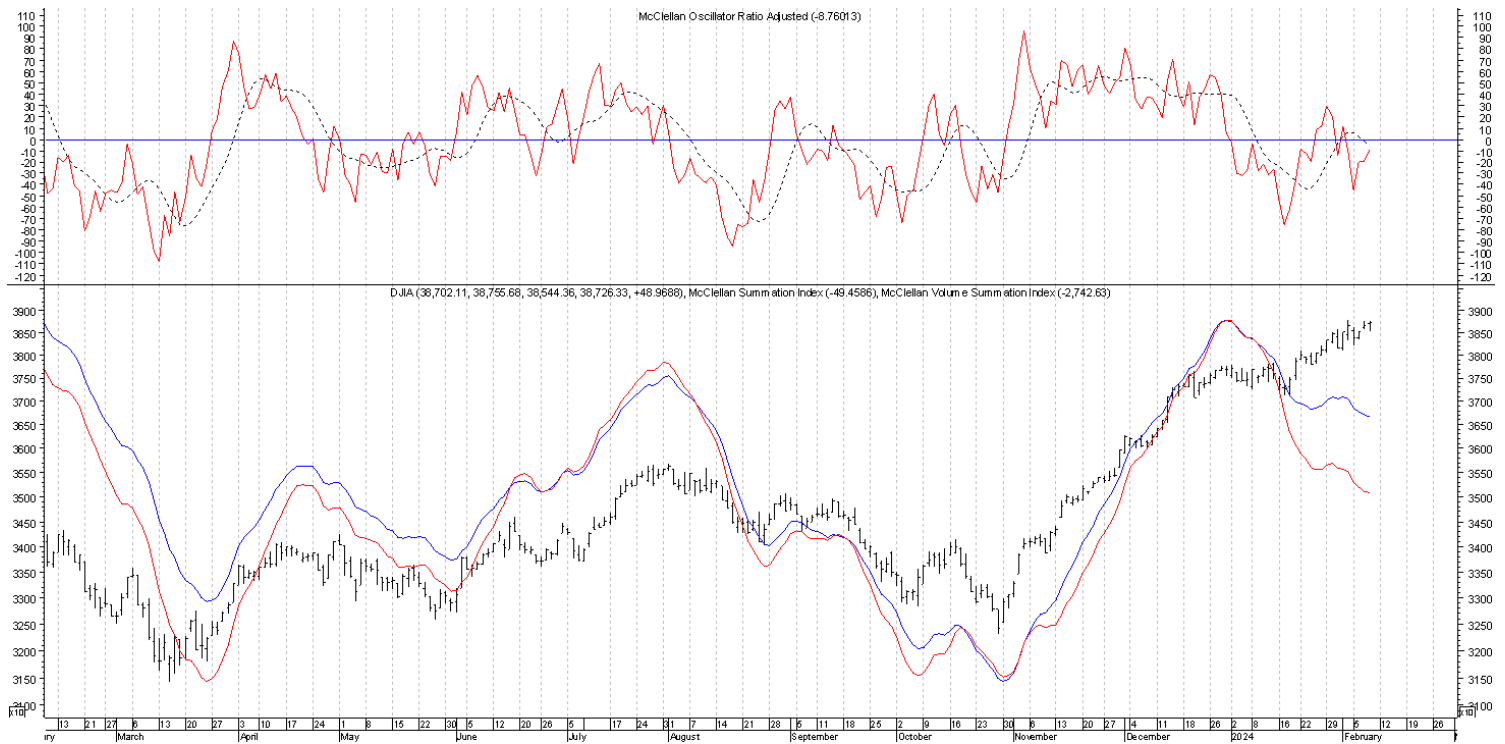
With the completion of a daily swing high and downturn of ALL Three of the Primary Short-Term Indicators on February 1st, a short-term sell signal was triggered, but because of the reversal higher that sell signal needed to be discounted until a close below the February 1st low was seen. Per the parameters given here in the February 1st update, the price action last Friday, February 2nd, 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 and with the Three Primary Short-Term Indicators negative another short-term sell signal was technically triggered. However, as confirmation of that signal, we needed to see a close below Monday's low, which with Tuesday being an inside day and Wednesday's completion of a daily swing low, we have not seen. Any further advance that turns the **Original** and the **Slow** Cycle Turn Indicators back up will trigger another short-term buy signal, whereas a decline below Monday's low should serve as confirmation of Monday's questionable short-term sell signal.



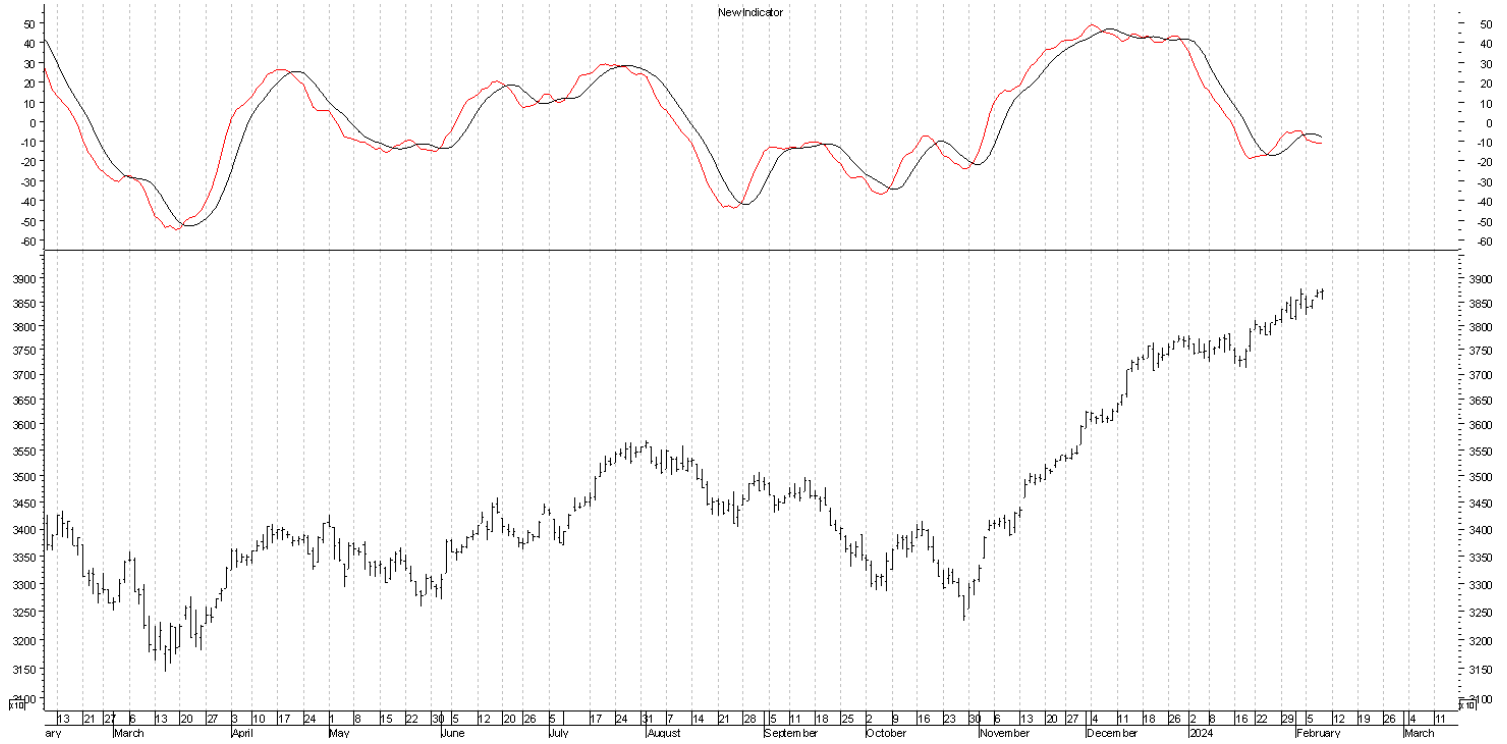
Both the **Intermediate Term Breadth Momentum Oscillator** and the **Intermediate Term Volume Momentum Oscillator** continue their downturns, which in doing so continues to be suggestive of the trading cycle advance having run its course. Confirmation of a solid short-term sell signal in conjunction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



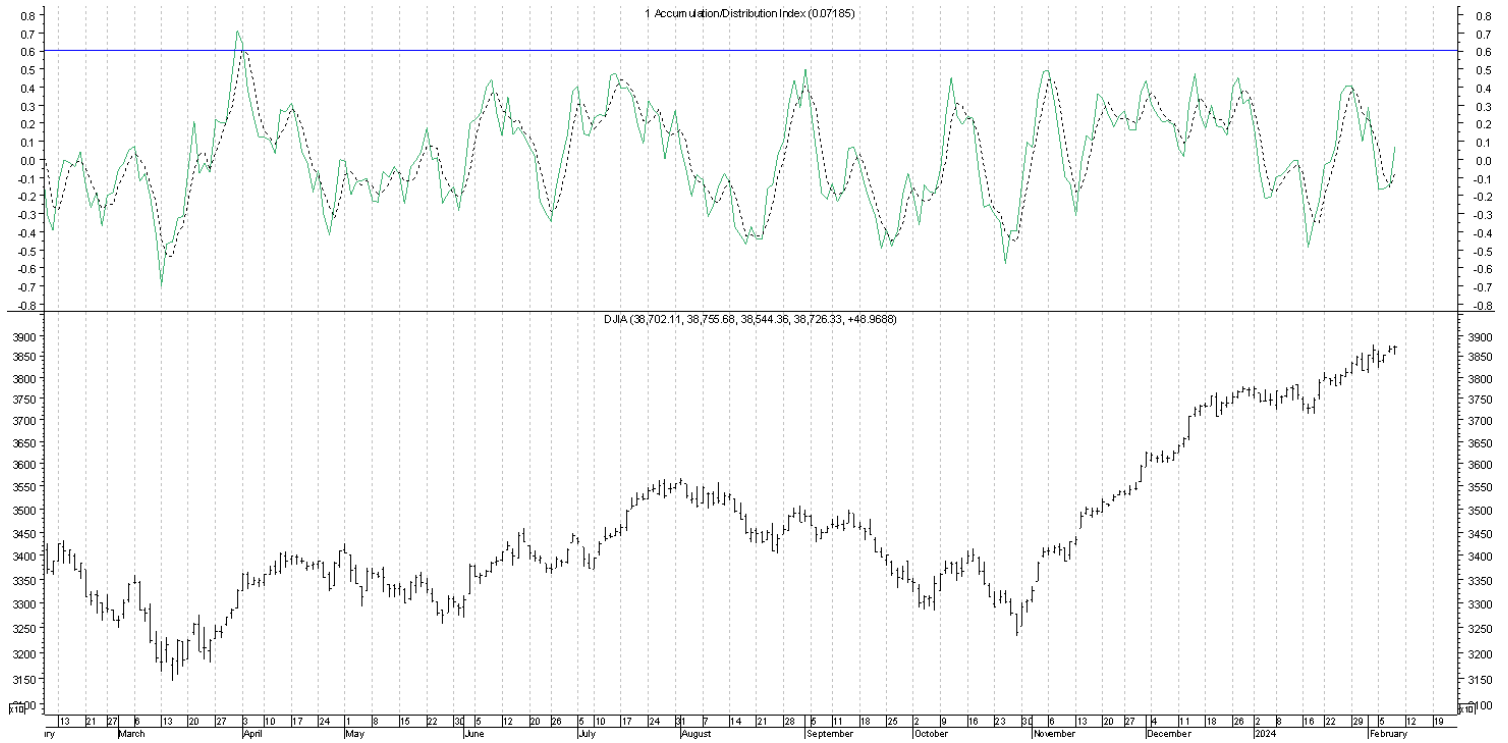
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** also continue their downturns, which here too, is suggestive of the trading cycle top. The **Ratio Adjusted McClellan Oscillator** has turned back up and thus far remains marginally below both its zero and trigger line. Here too, the oscillator picture is suggestive of the trading cycle top, but we have to see the additional confirmation of Monday's short-term sell signal as 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** has turned back up. Another downturn in conjunction with the completion of another daily swing high will be suggestive of the retest of this top having run its course.

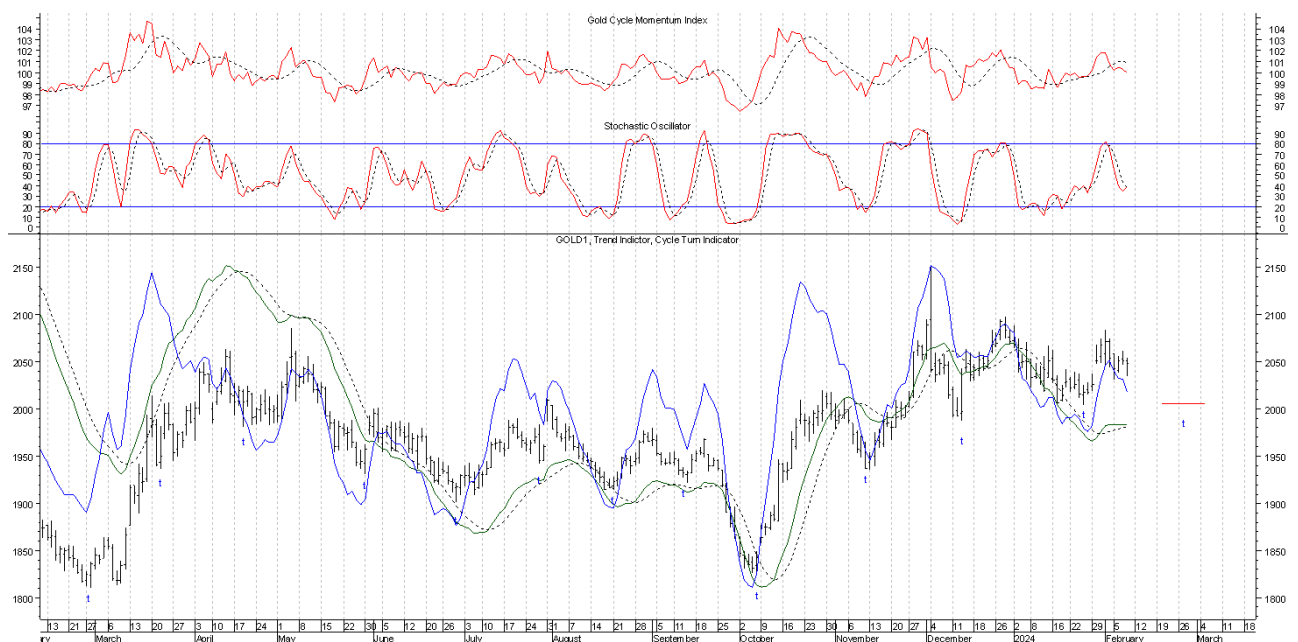


Gold

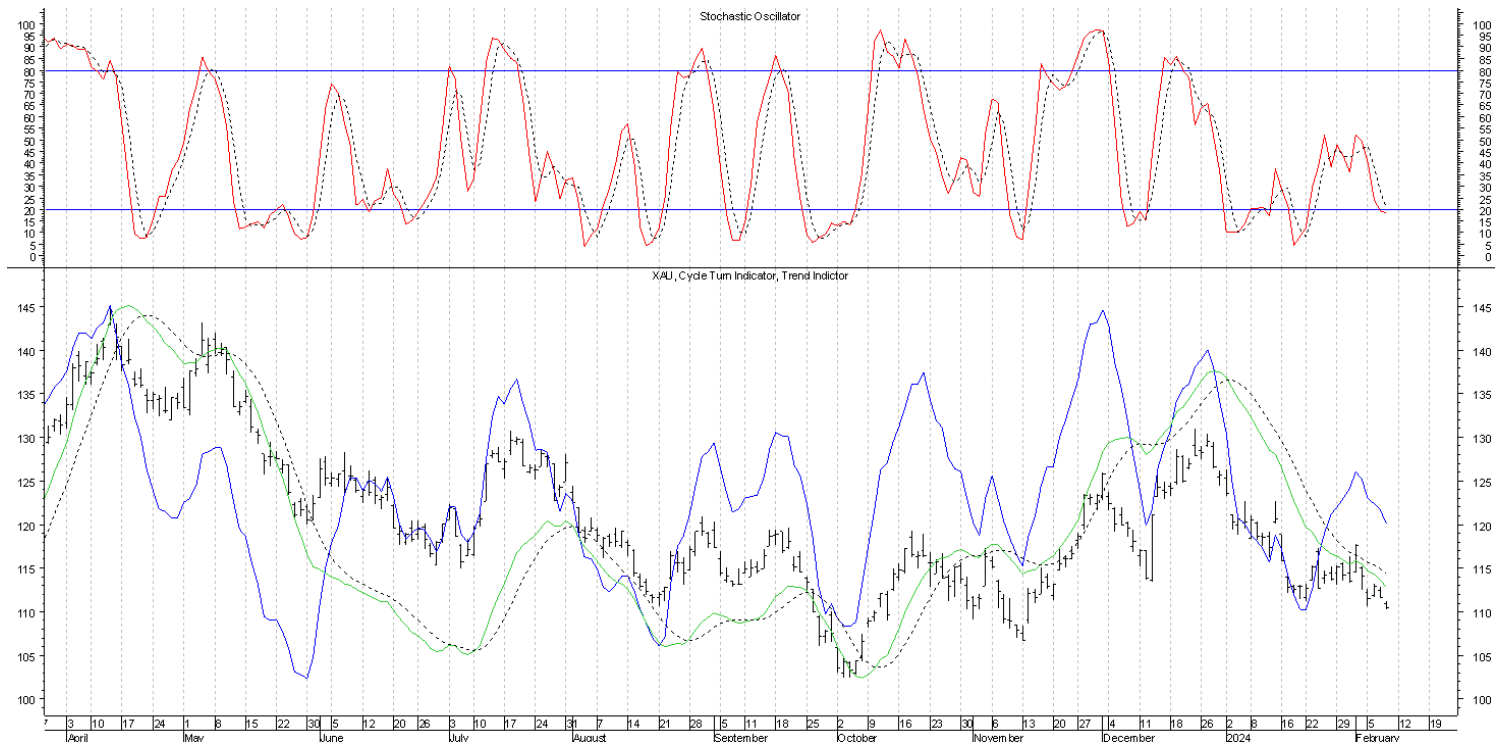
End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell	
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bearish

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	Bullish

The trading cycle last bottomed on January 25th and the timing band for the next trading cycle low runs between February 20th and March 5th. On February 2nd 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. On Wednesday Gold completed the formation of a daily swing low, but with the daily **CTI** remaining negative, the short-term sell signal held and on Thursday another daily swing high was completed. As a result, there have been no additional changes. If the current risk of a left-translated trading cycle is corrected and this trading cycle advance should prove to be right-translated, then we should prove to have the higher degree intermediate-term cycle low in place. But, if this trading cycle does in fact prove to peak with a left-translated structure it will leave Gold positioned for another trading cycle down into the higher degree intermediate-term cycle low. 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 2,034.60 holds and if 2,053.80 is bettered.



Our daily chart of the XAU is next. The price action on February 2nd 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, we knew that Tuesday's advance should prove to be counter-trend and followed by further weakness, which it has. The left-translated structure seen here tends to imply that the trading cycle advance in Gold should also prove to be left-translated. 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 110.27 holds and if 111.22 is 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)	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

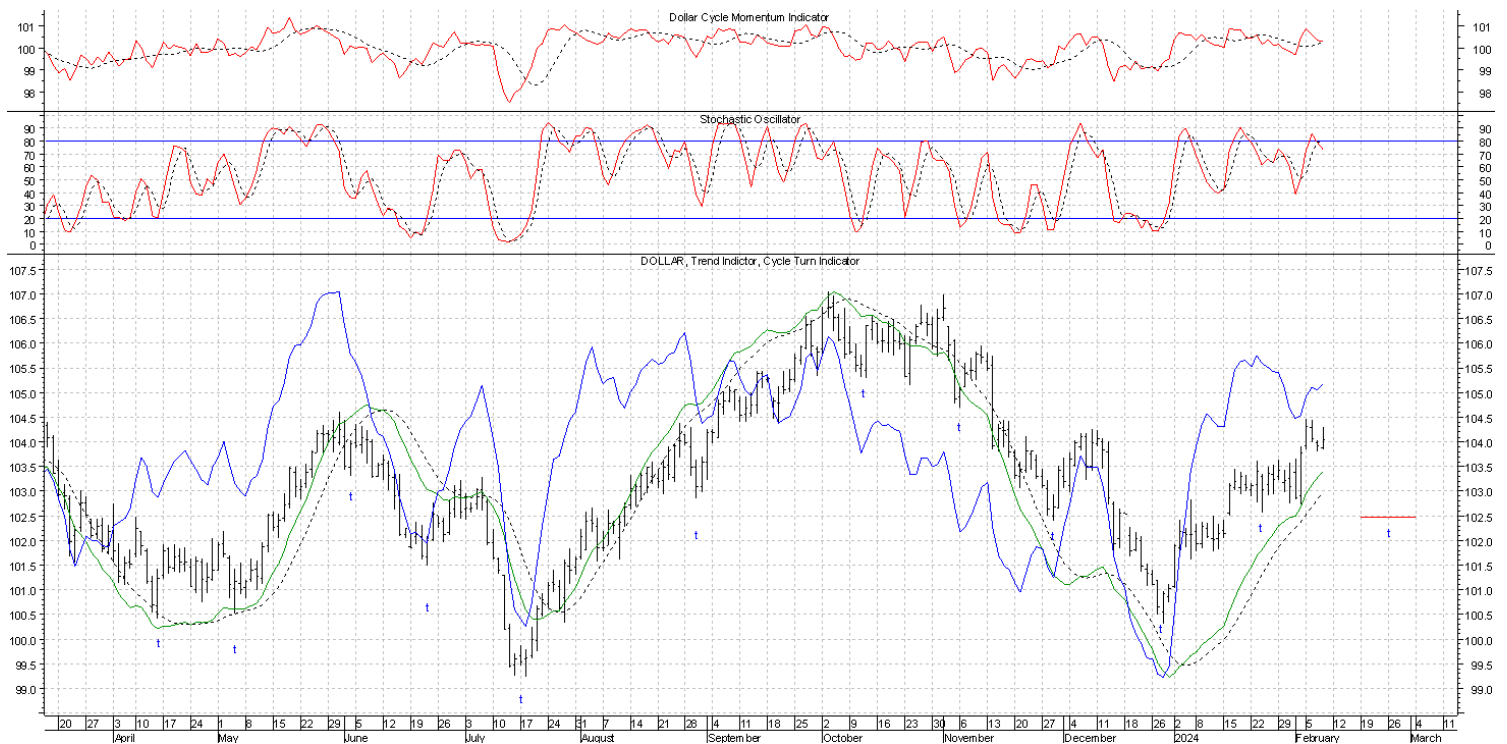
Confirming Indicators

Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bullish

Secondary Indicators

5 3 3 Stochastic	Bearish
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The last trading cycle low was seen on January 24th and the timing band for the next trading cycle low runs between February 19th and March 2nd. Per the Tuesday night update, the price/oscillator picture put the Dollar at risk of a left-translated trading cycle top. The price action on Wednesday completed the formation of a daily swing high and with the downturn of the daily **CTI** a short-term sell signal was triggered, but on Thursday this was followed by the completion of another daily swing low and upturn of the daily **CTI**, thereby re-triggering another short-term buy signal. The price/oscillator picture continues to suggest that the Dollar should be at or near the trading cycle top, but this 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 104.30 is not bettered and if 103.83 is violated.

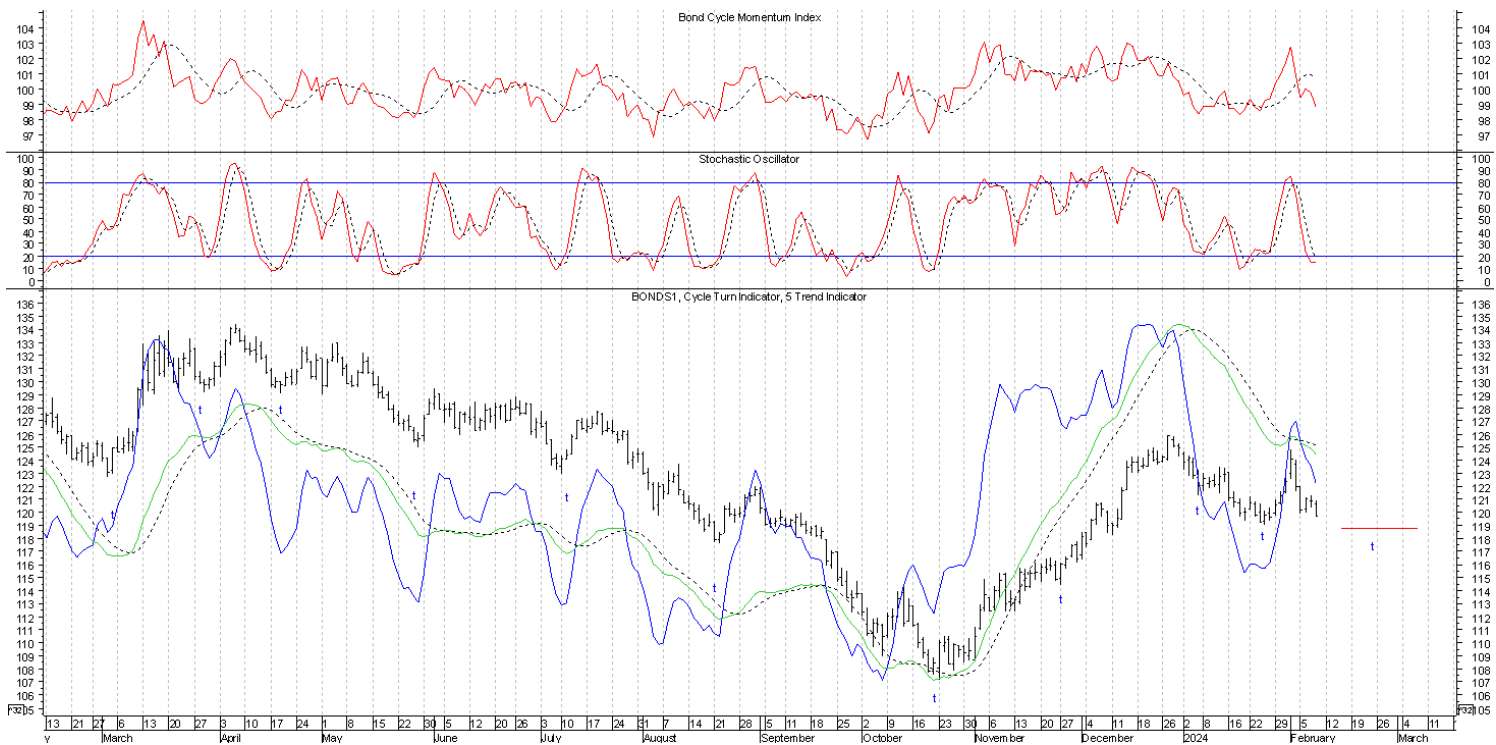


Bonds

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

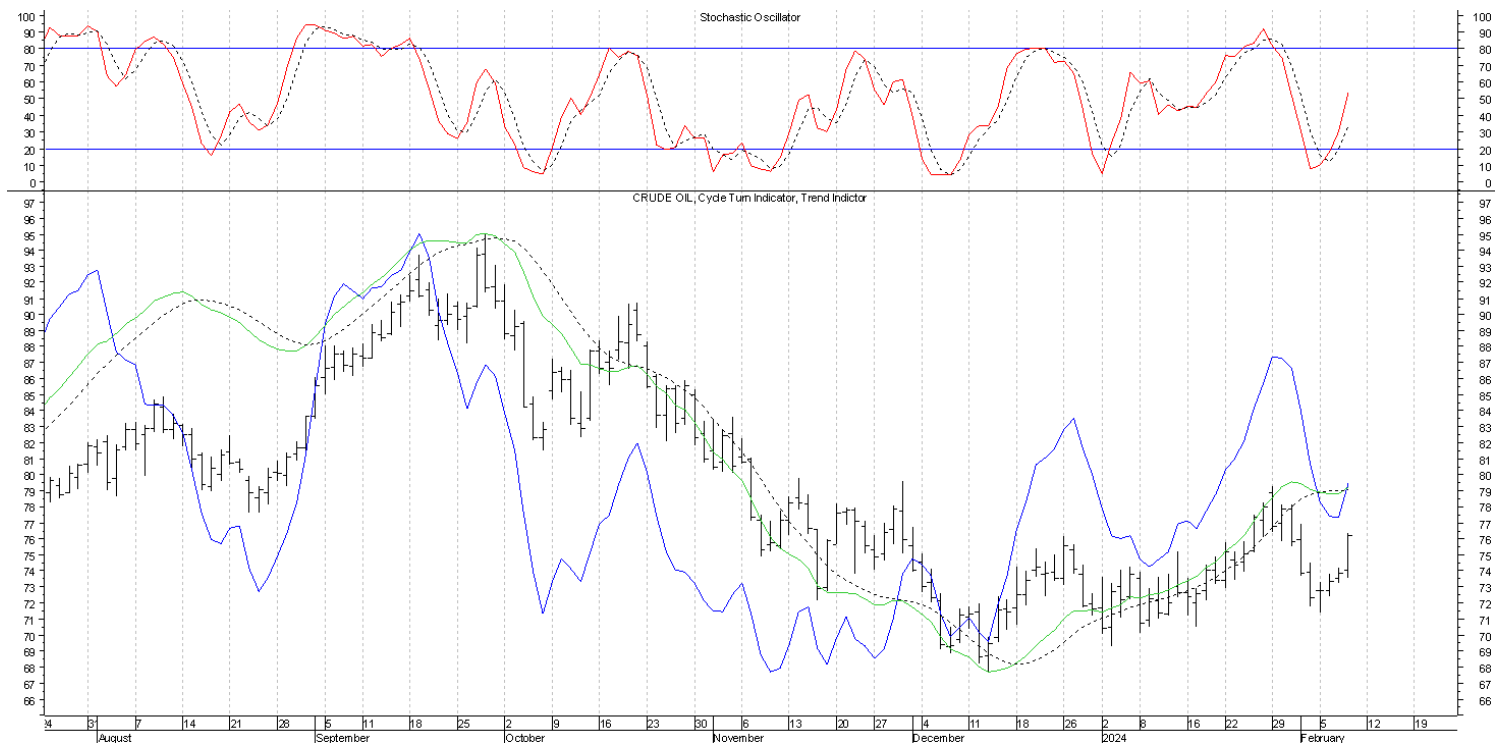
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bearish

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 February 2nd we knew that the advance out of the January 25th trading cycle low was at risk of having run its course and with the downturn of the daily CTI on Monday, a short-term sell signal was triggered. In doing so, it left the trading cycle advance at further risk of having peaked and given the continued weakness that has thus far followed, we have to continue to assume this to be the case and that we have a left-translated trading cycle top in place in conjunction with the retest of the intermediate-term cycle top having run its course.



Crude Oil

The price action on Tuesday completed the formation of a daily swing low and with the continued advance that has followed turning the daily **CTI** up, another short-term buy signal has been triggered. At the same time, last week's weekly reversal continues to be suggestive of the higher degree intermediate-term advance having possibly run its course. As discussed in the Tuesday night update, it is the advance in association with Tuesday's completion of a daily swing low that serves as the test of the intermediate-term cycle top. As this structural test runs its course, this 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 76.36 is not bettered and if 73.56 is violated.



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