

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 13, 2024

Market	Daily CTI	Daily Swing	Weekly CTI	Weekly Swing
Industrial	Negative	High	Negative	Low
Transports	Negative	High	Positive	Low
NDX	Negative	High	Positive	Low
S&P Inverse Fund	Positive	N/A	Negative	High
CRB Index	Positive	High	Positive	Low
Gold	Negative	High	Negative	High
XAU	Negative	High	Negative	High
Dollar	Positive	Low	Positive	Low
Bonds	Negative	High	Negative	High
Crude Oil	Positive	Low	Positive	Low
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 13, 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	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>	

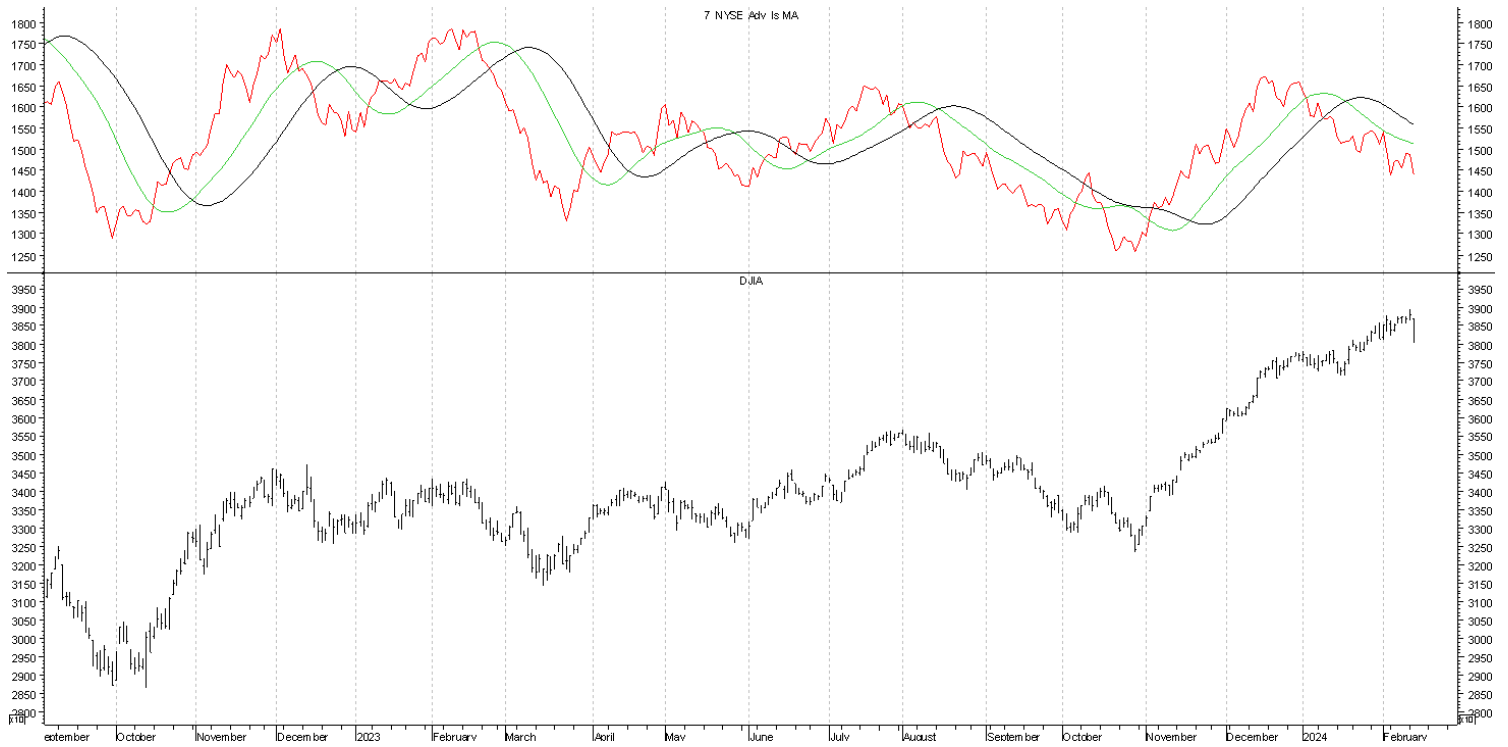
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Slow Cycle Turn Indicator (CTI)	Bearish
New High/New Low Differential	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
McClellan Intermediate Term Breadth Momentum Oscillator (ITBM)	Bearish
McClellan Intermediate Term Volume Momentum Oscillator (ITVM)	Bullish
McClellan Summation Index	Bearish
McClellan Volume Summation Index	Bearish
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	Bullish

Cyclically, we have known that the less dominant half-trading cycle top was due as well as the higher degree intermediate-term cycle top. With the price action on Tuesday completing the formation of another daily swing high, this time in conjunction with the solid triggering of a short-term sell signal, we should certainly have the half-trading cycle top in place and I suspect the trading cycle top as well as the higher degree intermediate-term cycle top. While we do not yet have proper evidence to confirm the higher degree intermediate-term cycle top, given the price/oscillator picture at that level and cyclical phasing for the next intermediate-term cycle low, until proven otherwise, we will operate under the assumption the intermediate-term cycle top has been seen. Evidence of such will come with the completion of a weekly swing high and the triggering of an intermediate-term sell signal. Accordingly, the expectation is for any bounce out if the less dominant half-trading cycle low to be counter-trend and followed by continued weakness. With that said, it will be the advance out of the half-trading cycle low that will also serve as a test of the intermediate-term cycle top. More on all of this as it develops. Bottom line, a solid short-term sell signal was triggered on

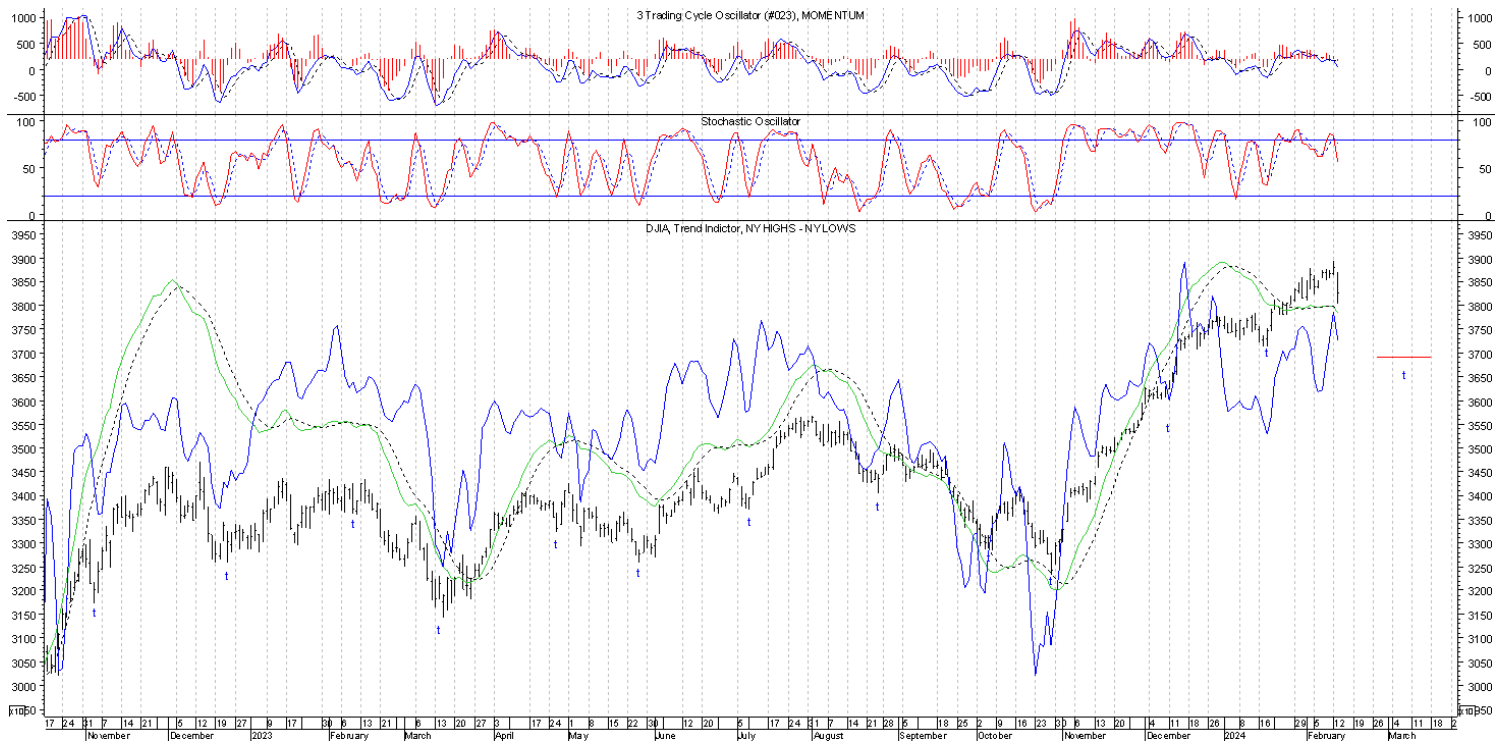
Tuesday and the assumption is that the half-trading, trading and intermediate-term cycle tops have been seen. The timing band for the next trading cycle low runs between February 27th and March 18th. At a higher level, the timing band for the intermediate-term cycle low runs between February 16th and April 19th. With this intermediate-term cycle being right-translated, the expectation is for this decline 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.

The short-term buy signal on Crude Oil remains intact and while the price action this week has completed the formation of another weekly swing low, the advance in association with this short-term buy signal continues to serve as a structural test of the intermediate-term cycle top. The short-term buy signal on Gasoline also remains intact and the expectation is that we are seeing an ending push into the higher degree intermediate-term cycle top. The short-term sell signal on Natural Gas remains intact, as does the intermediate-term sell signal and decline out of the left-translated intermediate-term and seasonal cycle top. The CRB Index completed the formation of a daily swing high on Monday and any further weakness that turns the daily CTI down will trigger a short-term sell signal. The expectation is for this intermediate-term advance to be counter-trend and followed by further weakness in association with the downturn out of the higher degree seasonal and 3-year cycle top. If the decline in association with the pending/next short-term sell signal completes the formation of a weekly swing high, then we will have to assume that higher degree intermediate-term cycle top to be in place. The short-term sell signal on Gold remains intact and the risk of a left-translated trading cycle top proved to be reality with Tuesday's violation of the January trading cycle low. The short-term sell signal and decline out of the left-translated trading cycle top on the XAU also remains intact. Last week's price/oscillator picture left the Dollar at risk of a possible left-translated trading cycle top, but a short-term sell signal was not triggered and the price reversal higher on Tuesday mended that risk. Bonds completed the formation of a daily swing high on February 2nd, leaving them at risk of a left-translated trading cycle top and with the violation of the January 25th trading cycle low on Tuesday, this risk proved reality. At a higher level, the intermediate-term cycle low should still lie ahead and for that reason the advance out of the next trading cycle low should prove to be counter-trend.

The Intermediate-Term Advancing Issues Line, plotted in red, has turned back down and the overall divergent oscillator picture continues to be suggestive of the trading cycle 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 has continued to put Equities at risk of an intermediate-term cycle top, because of the absence of a weekly swing high, the expectation has been 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, with the timing band for the intermediate-term cycle low now upon us, we assume the intermediate-term cycle top to be in place until Equities can prove otherwise.

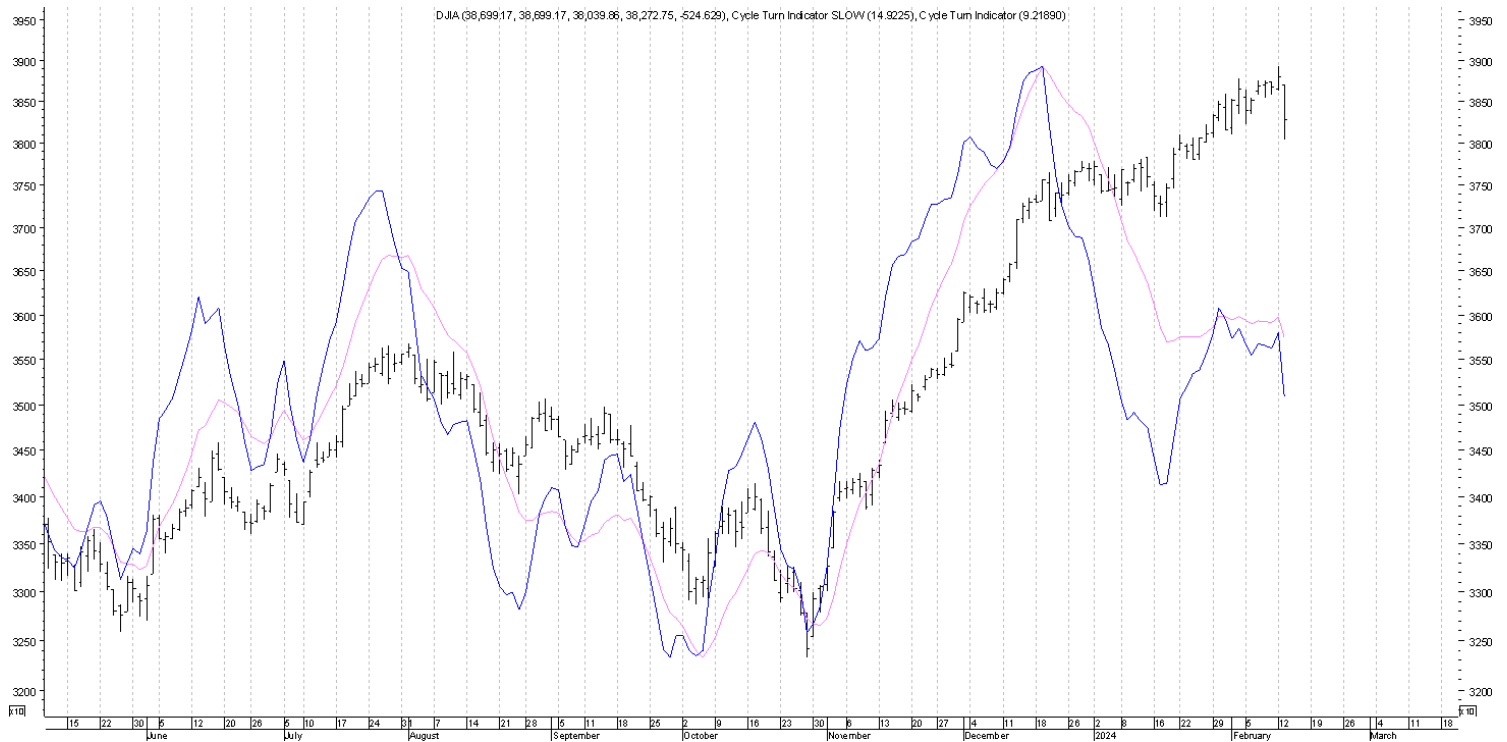


The **Trading Cycle Oscillator** in the upper window has turned back down as has the **Momentum Indicator**. The **5 3 3 Stochastic** in the middle window has also turned back down from overbought levels and the overall oscillator picture here is suggestive of the trading cycle top. The **New High/New Low Differential**, plotted with price, also turned back down in conjunction with Tuesday's completion of a daily swing high. While marginal, the recent upturn of the **Trend Indicator** has been suggestive of the trading cycle low and the downturn that has since taken hold continues to be suggestive of the trading cycle top.

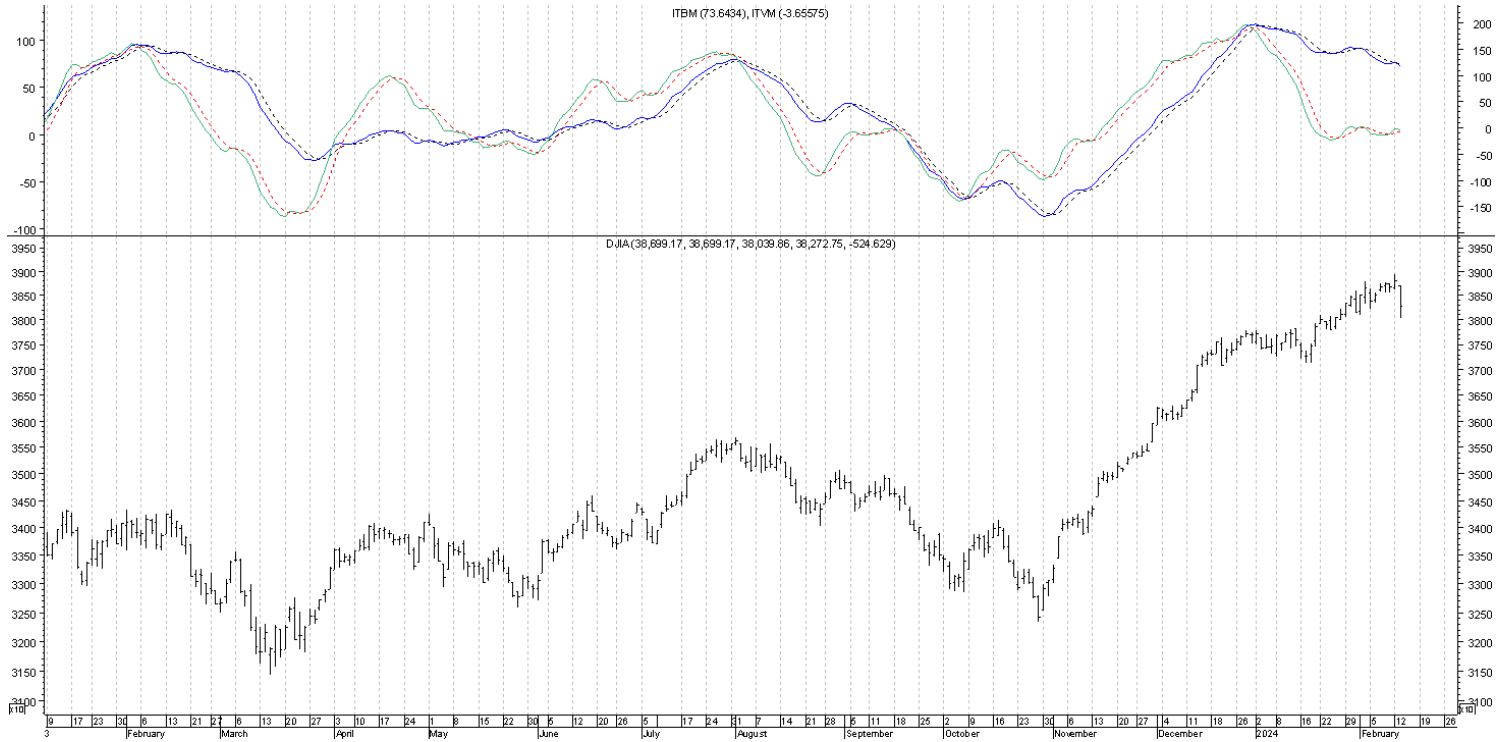


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

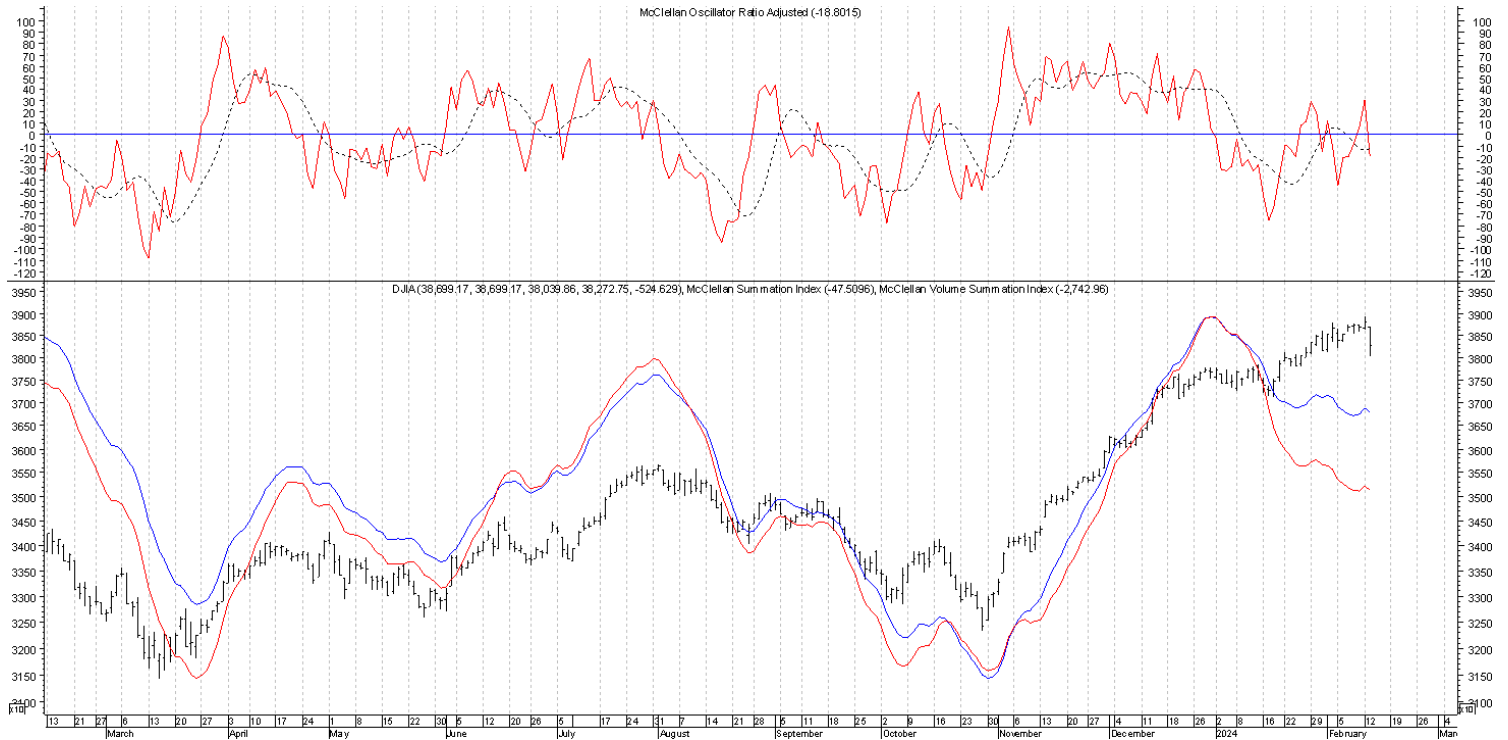
Bottom line, with the completion of a daily swing high on Tuesday and downturn of ALL Three of the Primary Short-Term Indicators, a solid short-term sell signal was triggered. In doing so, we have to assume that not only the half-trading cycle top has been seen, but also the trading cycle top and what should also prove to be the intermediate-term cycle top as well. Whatever the case may be, this short-term sell signal will remain intact until another daily swing low and upturn of ALL Three of the Primary Short-Term Indicators are seen.



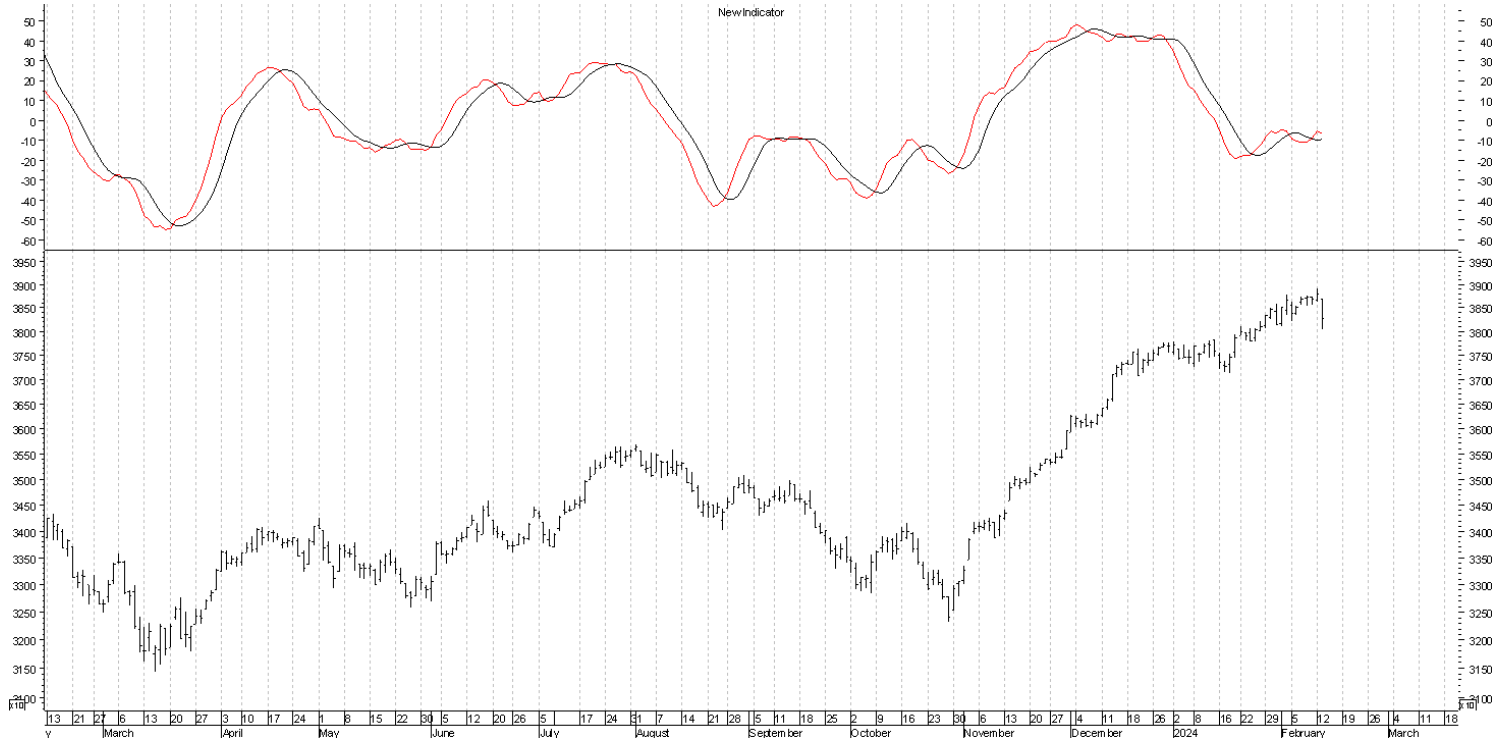
The **Intermediate Term Breadth Momentum Oscillator** remains marginally below its trigger line while the **Intermediate Term Volume Momentum Oscillator** remains marginally above its trigger line. Any further weakness that turns both of these indicators down will be further indicative of the trading cycle top having been seen.



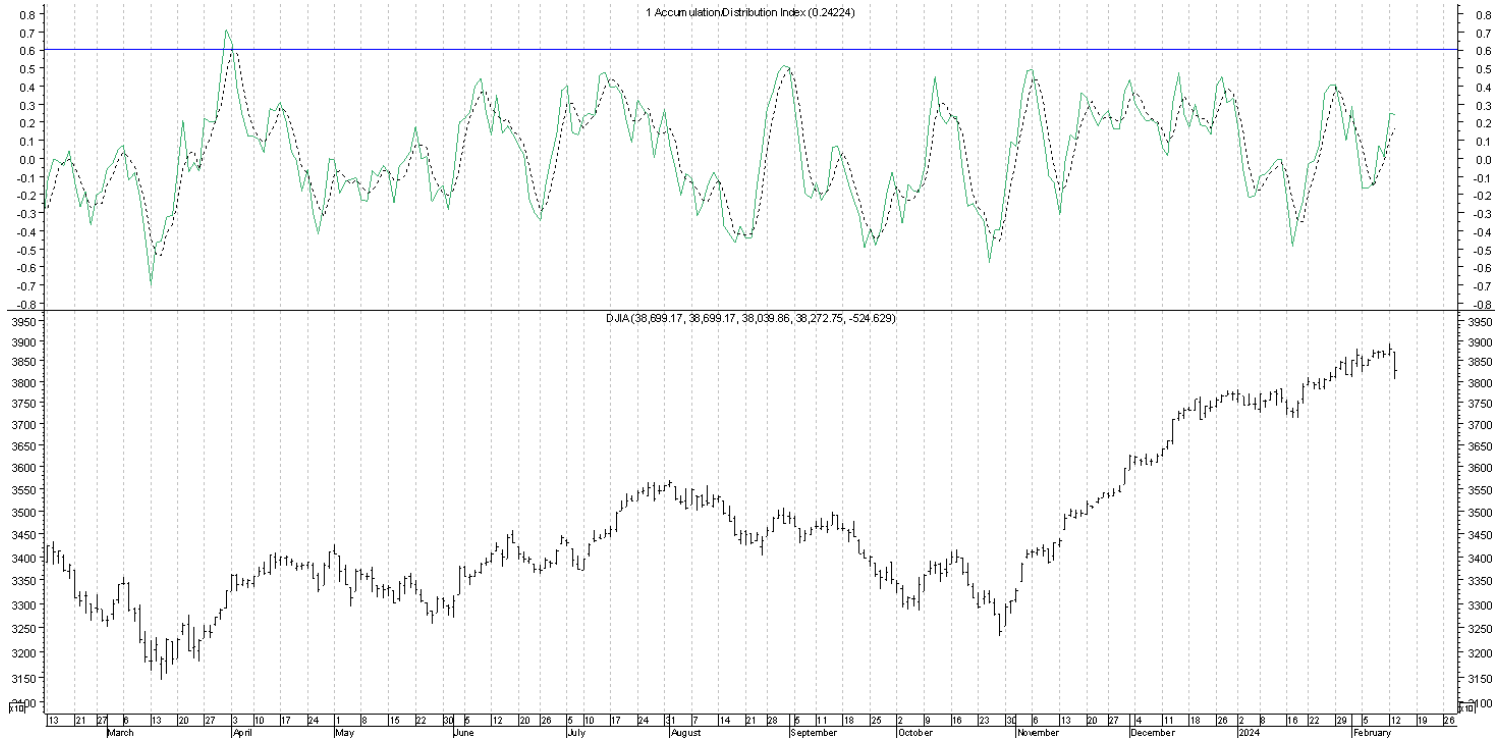
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** have ticked down, which in doing so is suggestive of the trading cycle top. The **Ratio Adjusted McClellan Oscillator** has turned back below both its trigger and zero line, which serves as confirmation of the short-term sell signal, which in turn is suggestive of what should ideally be the trading and intermediate-term cycle top.



The upturn of the smoothed McClellan oscillator was reflective of the advance out of the trading cycle low and another downturn in the wake of Tuesday's triggering of a short-term sell signal should prove to be in association with the trading cycle top.



The **Accumulation/Distribution Index** has turned back up. As additional confirmation of the trading cycle top we need to see this indicator turn back below its trigger line and ultimately a decline below last week's low.

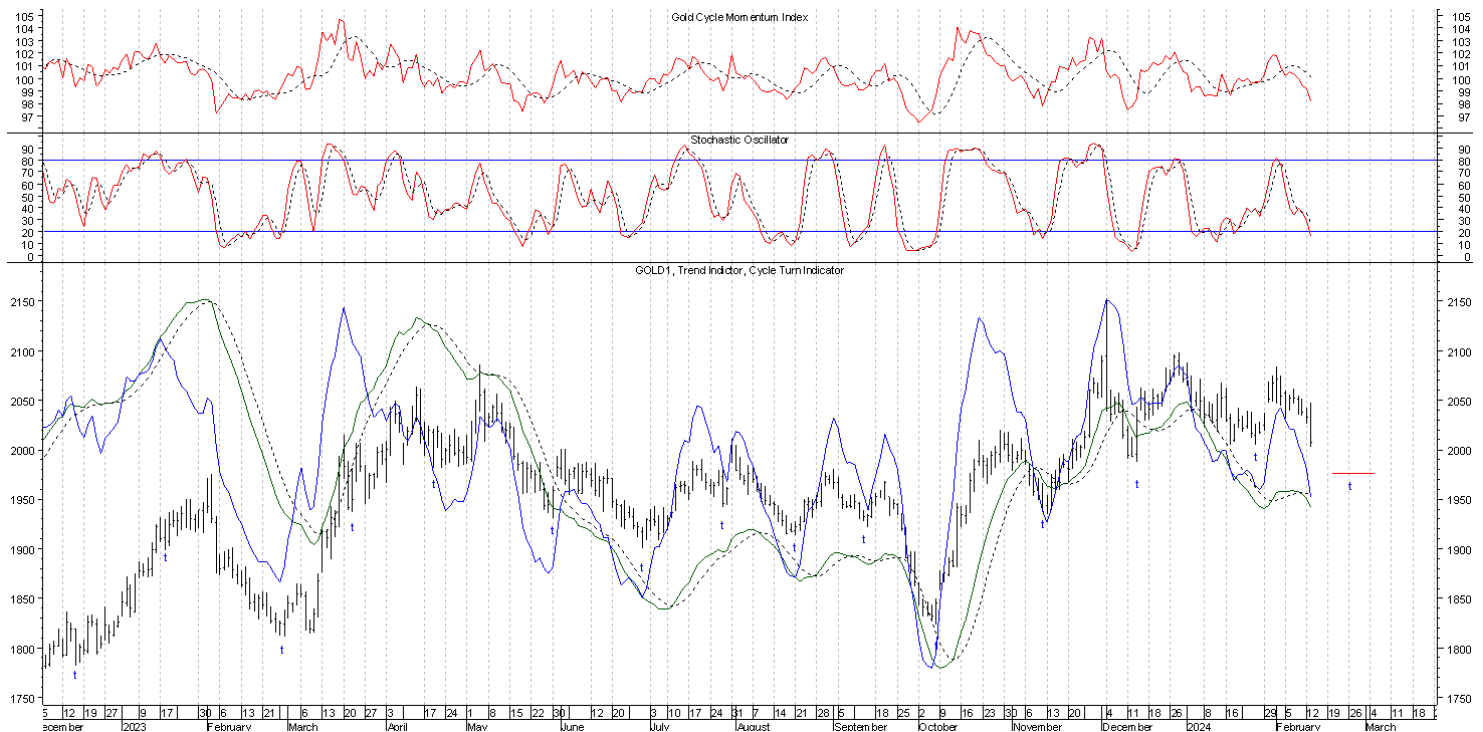


Gold

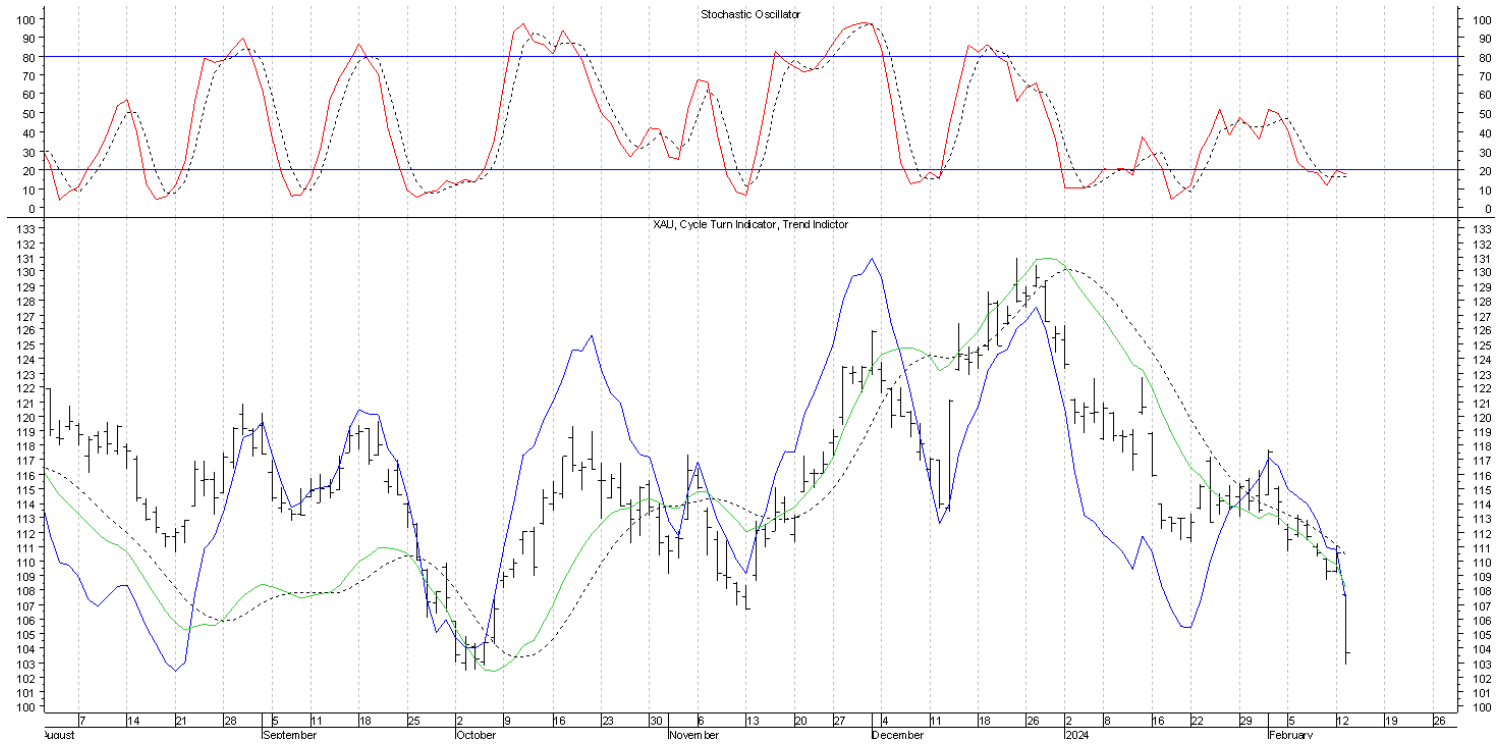
End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell	
Primary Indicators	
Formation of a Weekly Swing Low	Bullish
Cycle Turn Indicator (CTI)	Bullish
Confirming Indicators	
Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bullish

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	Bearish

The trading cycle bottomed on January 25th and the timing band for the next trading cycle low runs between February 20th and March 5th. We have known that the February 2nd completion of a daily swing high left Gold at risk of a left-translated trading cycle top and with the violation of the January 25th trading cycle low on Tuesday, that risk became reality. As a result, this now leaves Gold positioned for continued weakness into the higher degree intermediate-term cycle low. With the timing band for the trading cycle low still ahead, any bounce at this juncture should prove to be counter-trend and followed by continued weakness into the trading cycle low. 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 2,002.80 holds and if 2,047.30 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, the XAU has been at risk of a left-translated trading cycle top and given the violation of the January 22nd daily swing low on February 5th we have known for a week now that we had a left-translated trading cycle at play, which in light of the continued weakness has certainly proven correct. We have also known that the left-translated structure on the XAU was leading Gold. In doing so, this has in turn been suggestive of further weakness in association with the left-translated trading cycle in Gold, which here too, has again proven. 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 102.85 holds and if 107.66 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)	Bullish
Cycle Momentum Indicator	Bullish

Secondary Indicators

5 3 3 Stochastic	Bullish
------------------	---------

Daily Indicator Summary **Short-Term Buy**

Primary Indicators

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

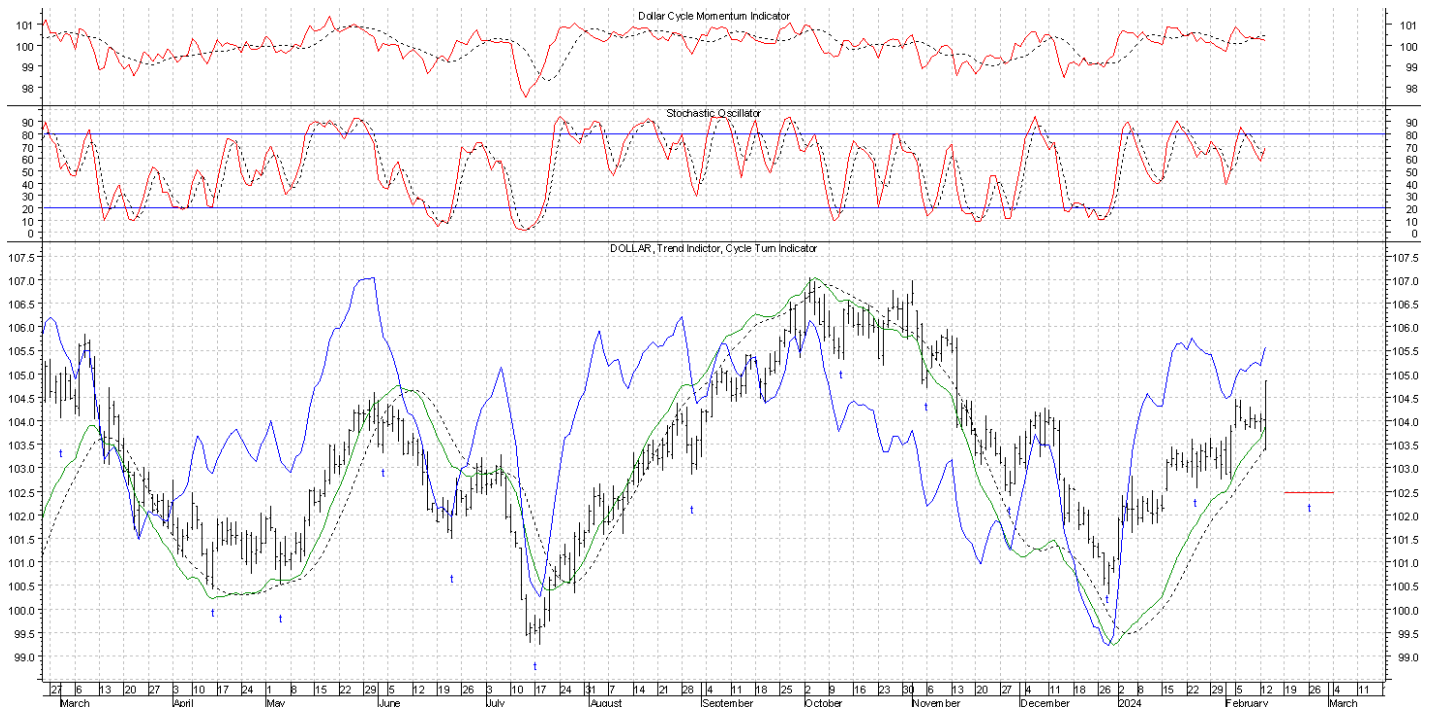
Confirming Indicators

Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish

Secondary Indicators

5 3 3 Stochastic	Bullish
------------------	---------

The trading cycle low last bottomed on January 24th and the timing band for the next trading cycle low runs between February 19th and March 2nd. The price/oscillator picture has been ripe for a top leaving the Dollar at risk of a left-translated trading cycle top. But, with the reversal higher on Tuesday, this trading cycle is now right-translated and until a daily swing high and downturn of the daily CTI are seen, the ongoing short-term buy signal will remain intact. More on this all once a short-term sell signal is triggered. A daily swing high will be completed on Wednesday if 104.85 is not bettered and if 103.36 is violated.

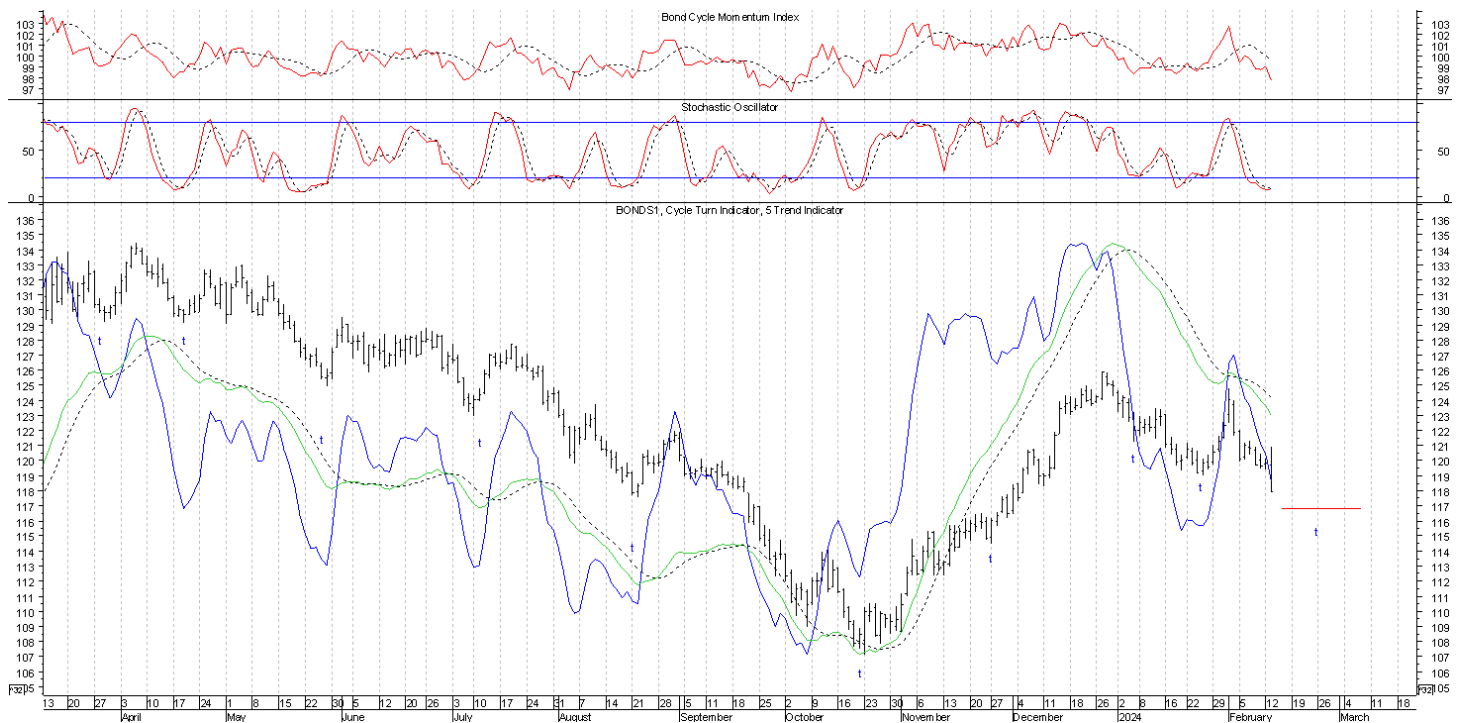


Bonds

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

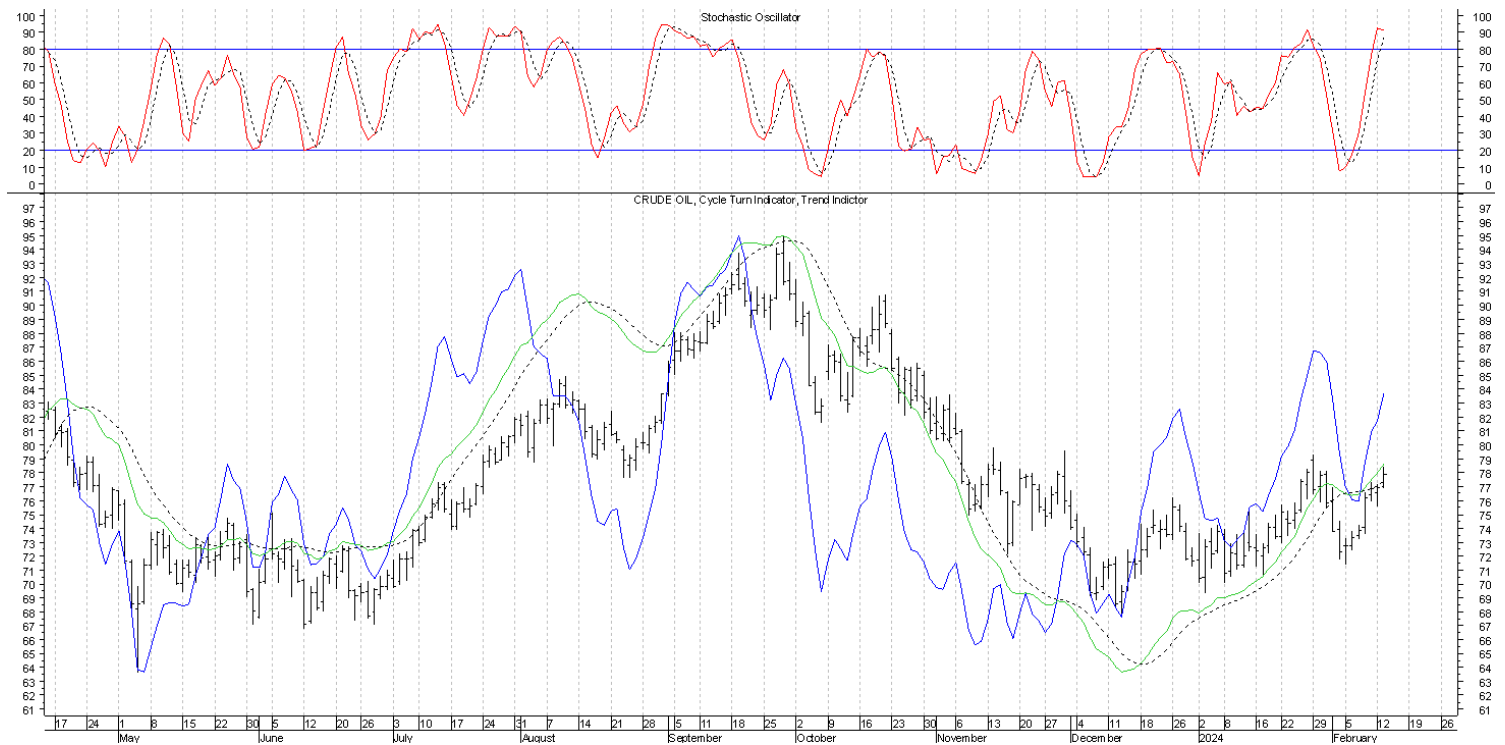
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bearish

The short-term sell signal on Bonds remains intact and we have known that this signal has left Bonds at risk of a left-translated trading cycle top. With the violation of the January 25th trading cycle low on Tuesday, this risk was realized and as a result, every indication is that the retest of the intermediate-term cycle top has run its course, thereby leaving Bonds positioned for continued weakness into the intermediate-term cycle low. The timing band for the next trading cycle low runs between February 15th and March 7th. Based on the structural developments at hand, the advance out of the next trading cycle low should prove to be counter-trend and followed by at least one more trading cycle down into the higher degree intermediate-term cycle low. This short-term sell signal will remain intact until another daily swing low and upturn of the daily CTI are seen, but with Bonds just now approaching the timing band for the trading cycle low, any advance at this juncture should be counter-trend and followed by continued weakness into the trading cycle low.



Crude Oil

The short-term buy signal in association with the February 5th daily swing low remains intact and has now carried price back to overbought levels. Structurally, it is this advance that serves as the test of the higher degree intermediate-term cycle top. Whether the January high is bettered or not, if the decline in association with the next short-term sell signal completes the formation of another weekly swing high, then such development will be suggestive of both the trading and intermediate-term cycle tops. For now, 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 Wednesday if 78.47 is not bettered and if 76.87 is violated.



©2024 Cycles News & Views; All Rights Reserved

timwood1@cyclesman.com