

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 20, 2024

Market	Daily CTI	Daily Swing	Weekly CTI	Weekly Swing
Industrial	Negative	High	Negative	Low
Transports	Negative	High	Negative	High
NDX	Negative	High	Negative	High
S&P Inverse Fund	Positive	N/A	Negative	High
CRB Index	Negative	High	Positive	Low
Gold	Positive	Low	Negative	High
XAU	Positive	Low	Negative	High
Dollar	Negative	High	Positive	Low
Bonds	Negative	High	Negative	High
Crude Oil	Positive	Low	Positive	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 20, 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	Bullish
New High New Low Diff	Bullish
Secondary Indicators	
5 3 3 Stochastic	Bearish
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	Bullish
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	Bullish
Cycle Momentum Indicator	Bearish
Trading Cycle Oscillator	Bullish
Momentum Indicator	Bearish
Ratio Adjusted McClellan Oscillator Crossover	Bearish
Accumulation/Distribution Index	Bearish

With the completion of a daily swing high on February 13th, a short-term sell signal was triggered. On February 15th, a daily swing low was completed, but with ALL Three of the Primary Short-Term Indicators not having turned up, the short-term sell signal held. With Friday’s reversal lower this signal continued to hold and with Tuesday’s completion of another daily swing high, once again, this signal remains intact. That said, as further confirmation of this signal, I would like to see continued weakness that turns ALL Three of the Primary Short-Term Oscillators back into gear to the downside, as well as a violation of the February 13th low, which should then serve as confirmation of the trading cycle top as well. With the timing band for the higher degree intermediate-term cycle low now upon us, conditions are certainly ripe for the intermediate-term cycle top and any further weakness that completes the formation of a weekly swing high will be suggestive of this top also having been seen. The timing band for the next trading cycle low runs between February 27th and March 18th. With this intermediate-term cycle being right-translated, the expectation is for this decline to be counter-trend. The timing band for the intermediate-term cycle low runs

between February 16th and April 19th. Once that low is in place, 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.

Crude Oil triggered a short-term sell signal last Thursday, but because of the reversal off the low, we needed to see a close below Thursday's low as confirmation of this sell signal. With the completion of another daily swing low on Friday, that additional confirmation was not seen. Tuesday's reversal lower is again suggestive of a trading cycle top and any further weakness on Wednesday that completes the formation of a daily swing high in conjunction with a downturn of the daily CTI will trigger a short-term sell signal in association with what should be the trading cycle top.

Gasoline triggered a short-term sell signal on February 14th. With the last two trading days being inside days, there have been no additional changes and any further weakness that completes the formation of a weekly swing high will be suggestive of 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 triggered a short-term sell signal on Tuesday. The expectation is for the current 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 this 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.

Gold completed the formation of a daily swing low on Thursday and with the upturn of the daily CTI on Friday a short-term buy signal was triggered. This buy signal remains intact and it is possible an early trading cycle low has been seen.

The XAU triggered a short-term buy signal last Thursday and in this case, we have to continue to assume the trading cycle low has been seen.

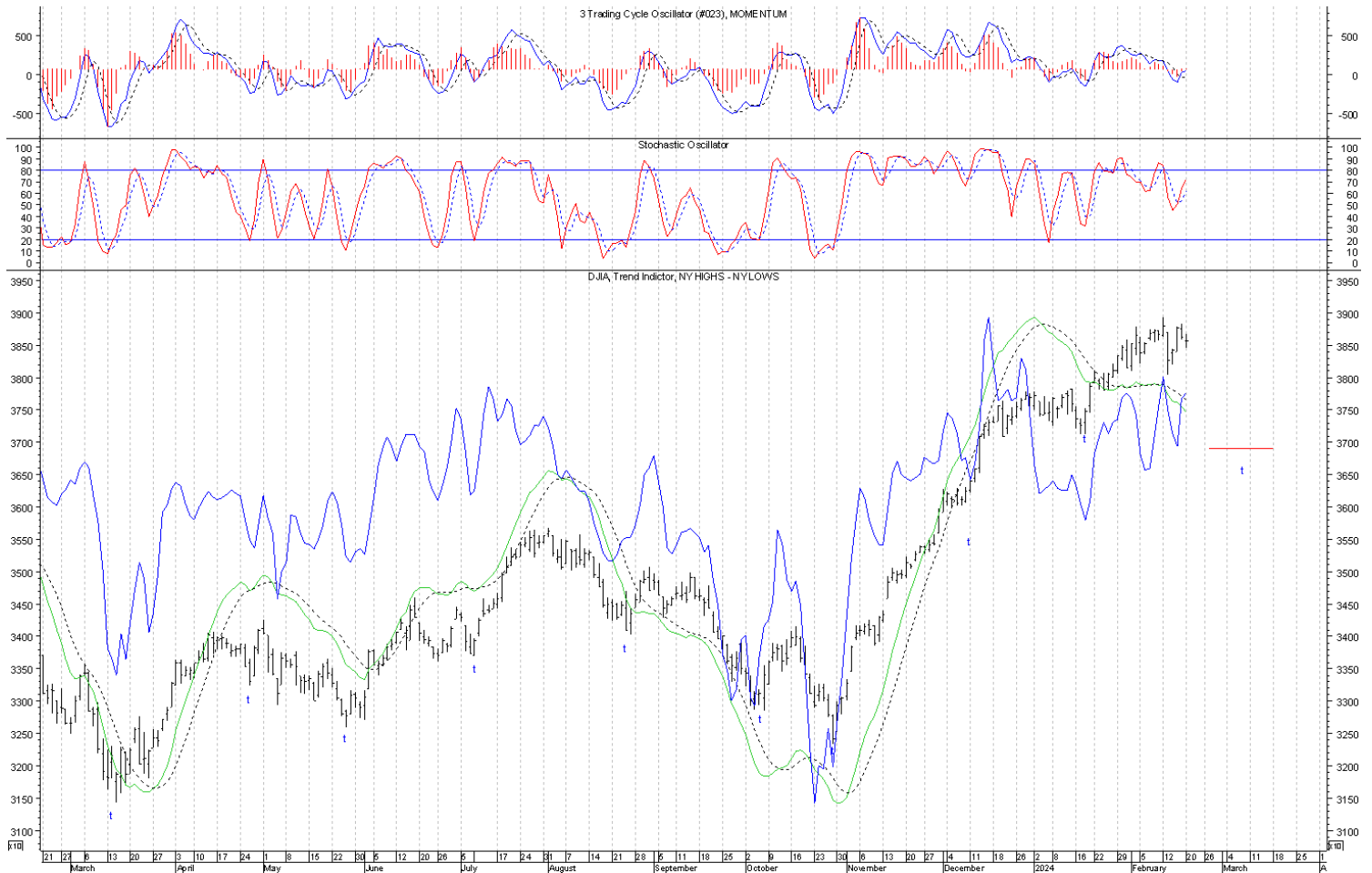
The February 15th short-term sell signal on the Dollar remains intact and the trading cycle low should ideally still lie ahead.

Bonds completed the formation of a daily swing low last Thursday and with the upturn of the daily CTI, a short-term buy signal was triggered. But, because of the reversal lower, we needed to see a close above Thursday's high, which with Friday's completion of a daily swing high we did not see. With Tuesday's violation of the February 14th daily swing low, it is possible we have seen the trading cycle low, but I would ideally like to see another few days down into this low. That said, once a short-term buy signal is triggered, this low should now be in place.

No change here. The Intermediate-Term Advancing Issues Line, plotted in red, has turned back up, but 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.

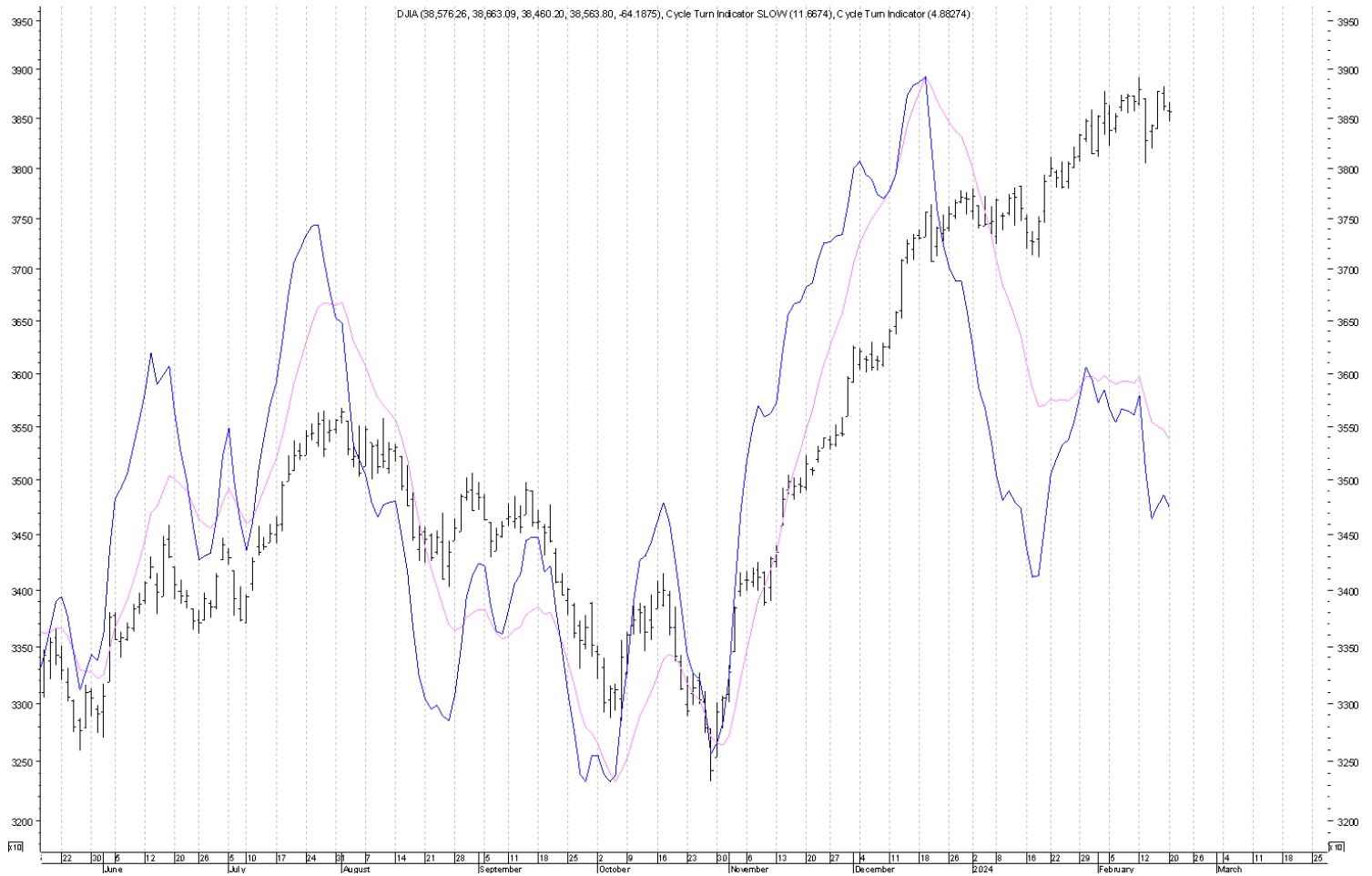


The **Trading Cycle Oscillator** in the upper window has turned back up. The **Momentum** Indicator remains marginally below its trigger line. The **5 3 3 Stochastic** in the middle window continues its recent upturn, but with the short-term sell signal still intact, the overall oscillator picture continues to be suggestive of the trading cycle top. The **New High/New Low Differential**, plotted with price, remains positive. The downturn of the **Trend Indicator** continues to be suggestive of the trading cycle top.

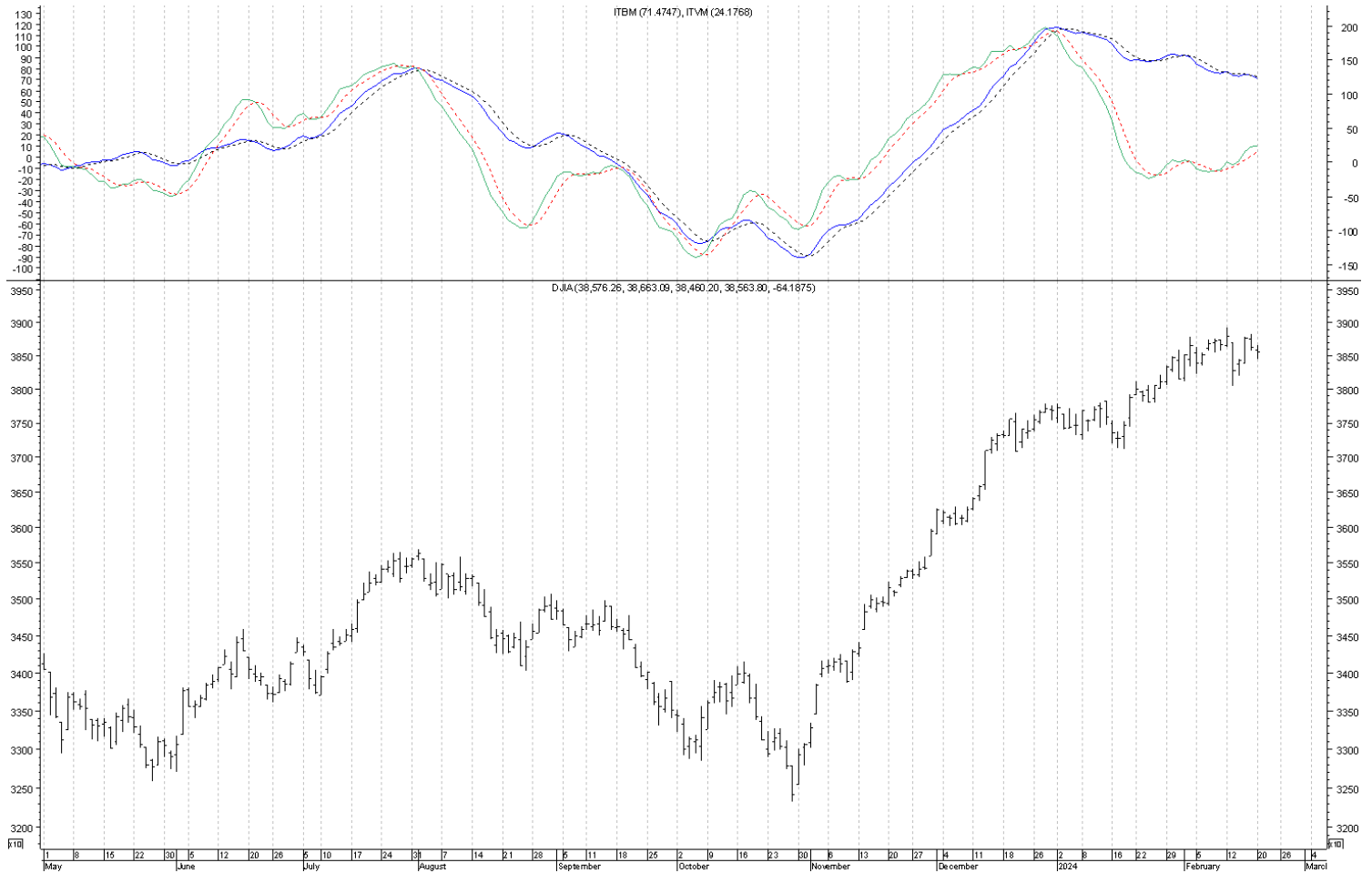


The Three Primary Short-Term Indicators are the **Original** and the **Slow** Cycle Turn Indicators, both plotted below, and the **NYSE New High/New Low Differential**, plotted with price above.

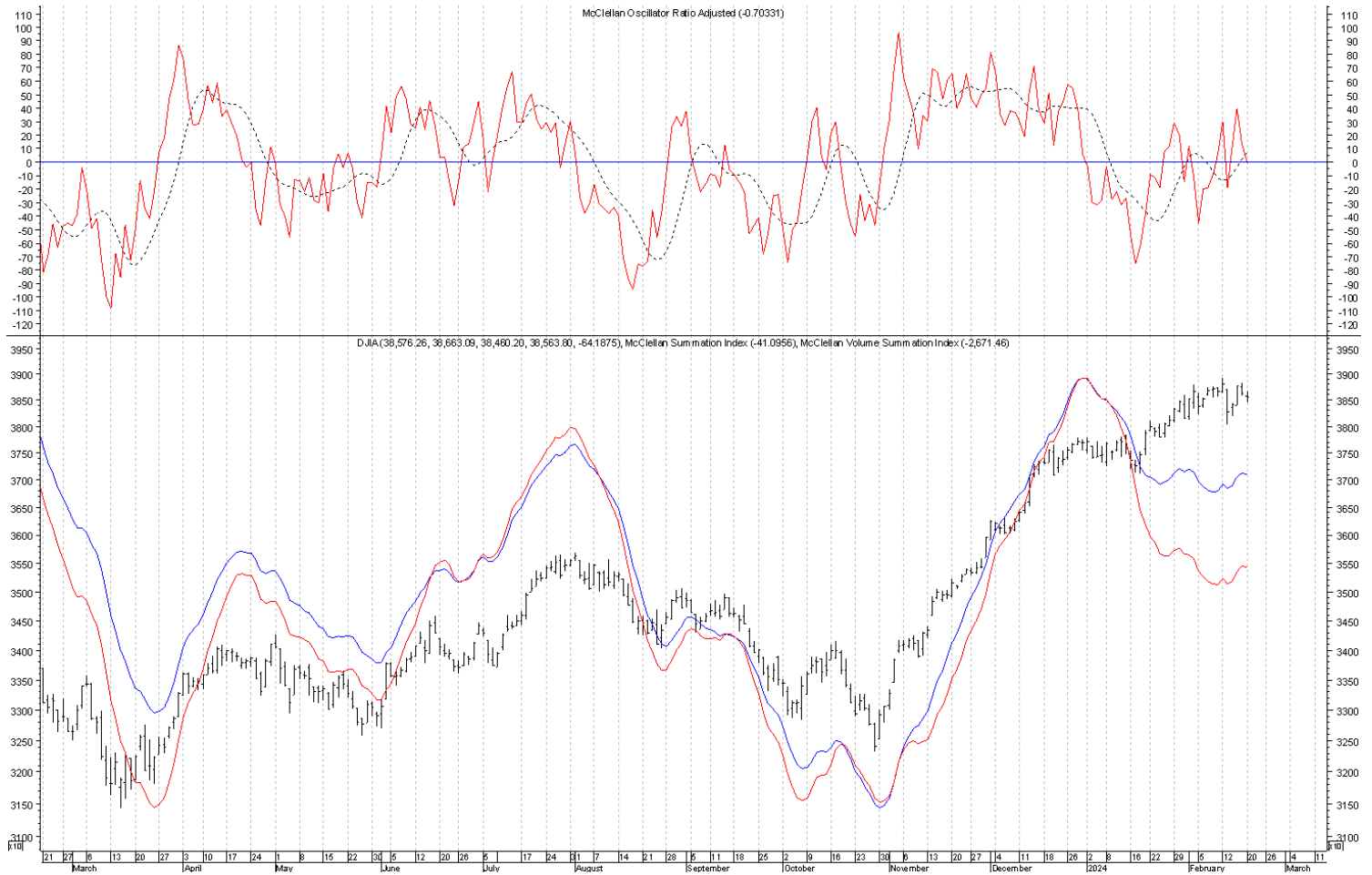
The February 13th short-term sell signal remains intact. The price action on Tuesday completed the formation of a daily swing high. Any further weakness that turns ALL Three of the Primary Short-Term Indicators back down will re-trigger yet another short-term sell signal and a close below the February 13th low should then serve as confirmation of the trading cycle top as well. For now, the February 13th short-term sell signal will remain intact until both a daily swing low AND upturn of ALL Three of the Primary Short-Term Indicators are seen.



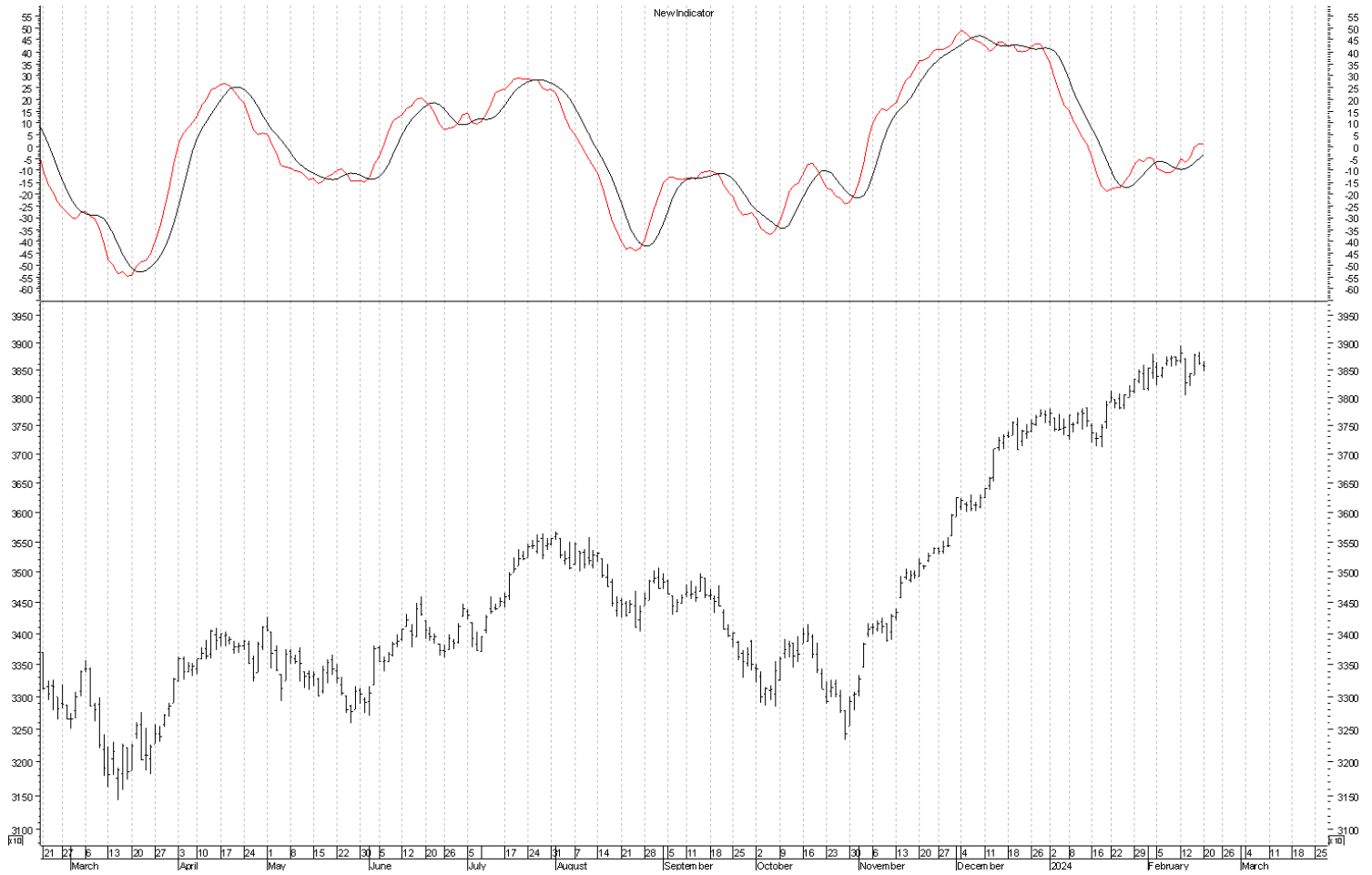
The **Intermediate Term Breadth Momentum Oscillator** has turned back below its trigger line while the **Intermediate Term Volume Momentum Oscillator** remains above its trigger line. Another downturn of both of these indicators in conjunction with the re-triggering of another short-term sell signal should prove to be in association with the trading and intermediate-term cycle tops.



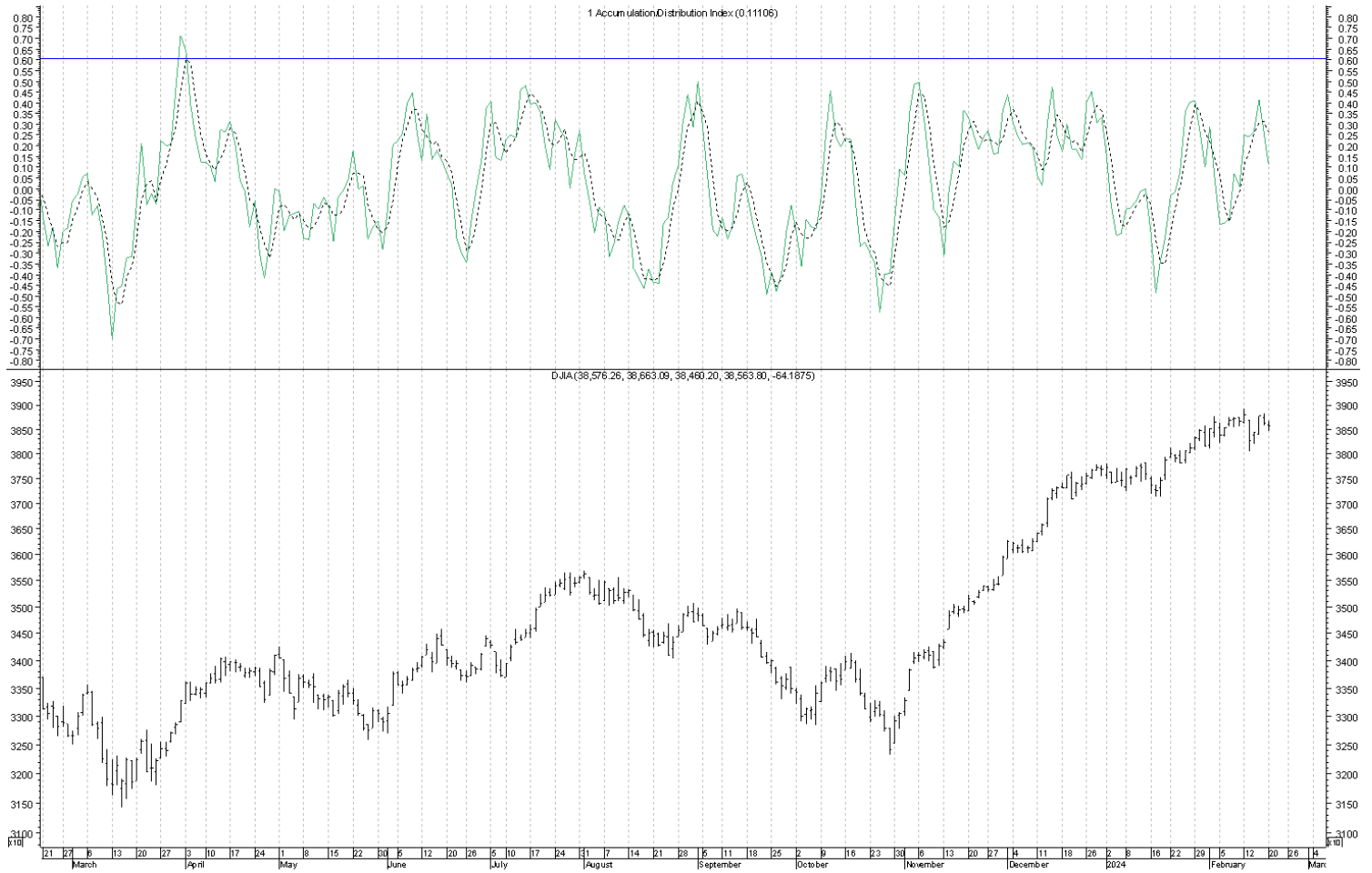
Both the **McClellan Summation Index** and the **McClellan Volume Summation Index** have turned down, which is reflective of the trading cycle top. The **Ratio Adjusted McClellan Oscillator** has turned back down and in doing so is also suggestive of the trading cycle top, which should be in place once another short-term sell signal is re-triggered in conjunction with Tuesday's completion of a daily swing high.



The smoothed McClellan oscillator remains above its trigger line. Given the cyclical phasing, another downturn should prove to be in association with the trading cycle top.



The **Accumulation/Distribution Index** has turned back down, which here too, is suggestive of the trading cycle top.

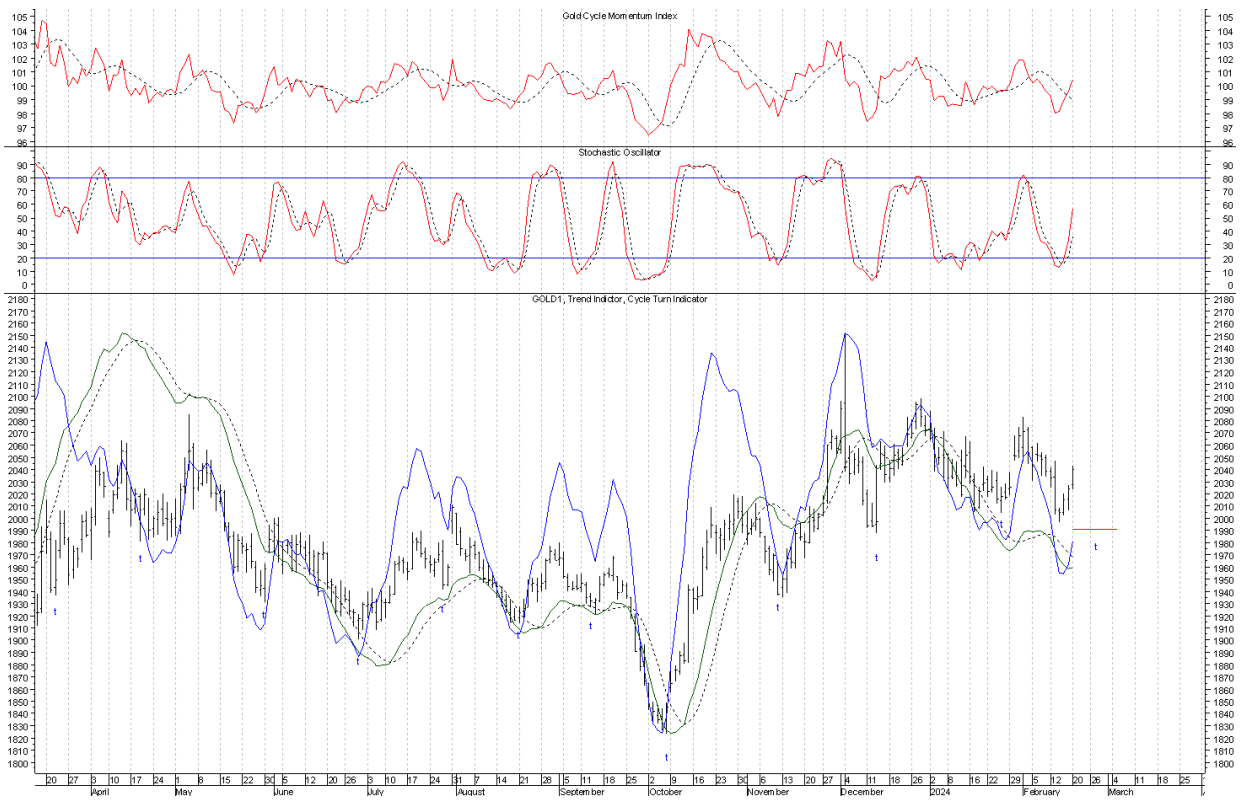


Gold

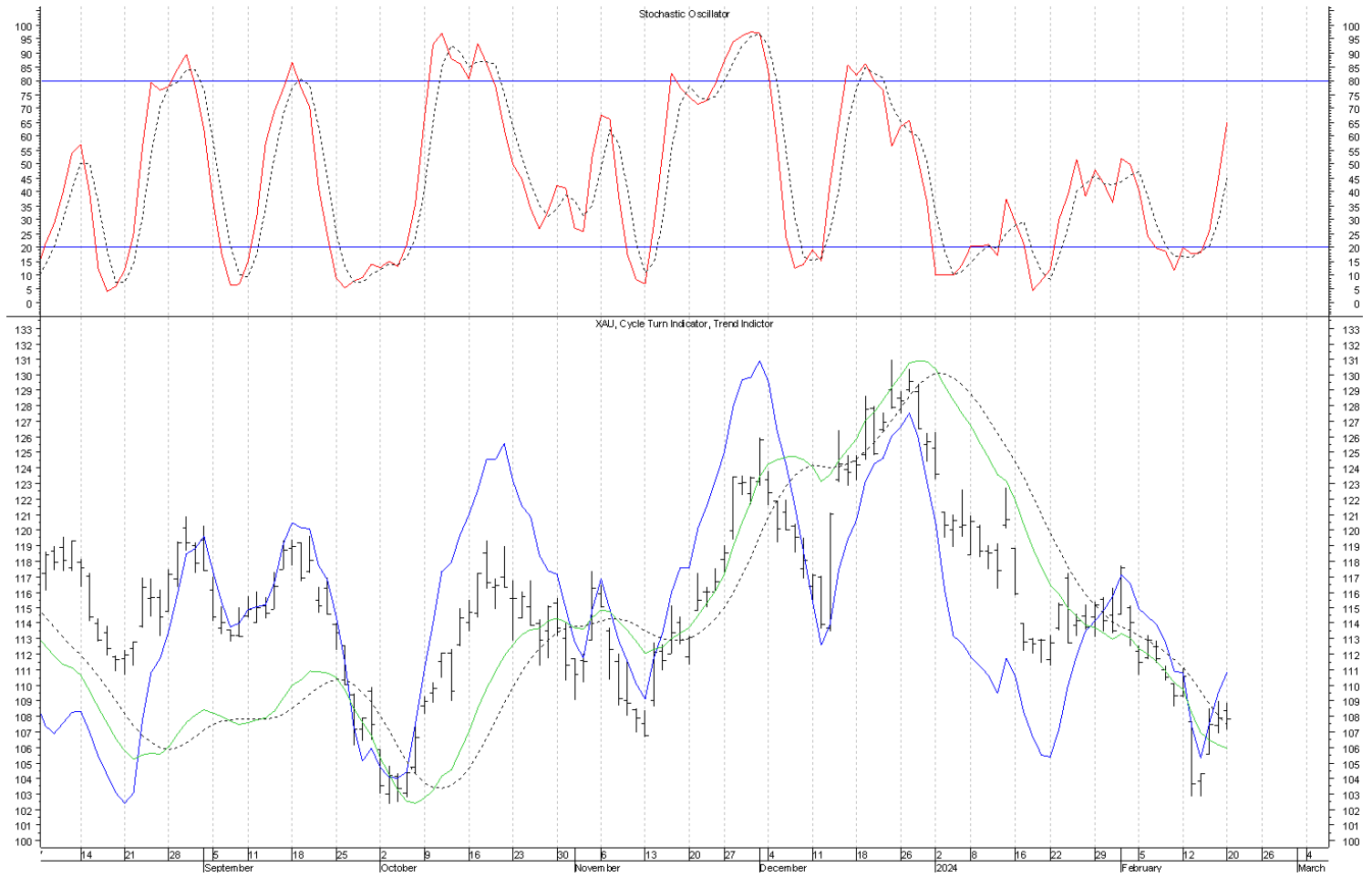
End of Week Intermediate-Term Indicator Summary Intermediate-Term Sell	
Primary Indicators	
Formation of a Weekly Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bearish
Secondary Indicators	
5 3 3 Stochastic	Bullish

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

The timing band for the pending trading cycle low runs between February 20th and March 5th. The price action last Thursday completed the formation of a daily swing low and with the upturn of the daily CTI on Friday a short-term buy signal was triggered. With this advance still intact, it remains possible that an early trading cycle low has been seen. More on the cyclical phasing as we move further into this timing band. In the meantime, 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 2,042.70 is not bettered and if 2,023.90 is violated.



Our daily chart of the XAU is next. The price action on Thursday completed the formation of a daily swing low and with the upturn of the daily CTI, a short-term buy signal was triggered. In doing so, the price/oscillator picture here was suggestive of the trading cycle low having been seen and in this case, the higher degree intermediate-term cycle low is also due. Given the continued advance that has followed, the evidence continues to be suggestive of the trading cycle low, which is in turn suggestive of the trading cycle low on Gold as well. If this trading cycle advance should peak with a left-translated structure, it will leave the XAU positioned for yet another trading cycle down into the higher degree intermediate-term cycle low. Otherwise, the completion of a weekly swing low, followed by a right-translated trading cycle advance, will be suggestive of the intermediate-term cycle low. Whichever the case, 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 108.94 is not bettered and if 106.89 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)	Bullish
Cycle Momentum Indicator	Bullish

Secondary Indicators

5 3 3 Stochastic	Bearish
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Daily Indicator Summary **Short-Term Sell**

Primary Indicators

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

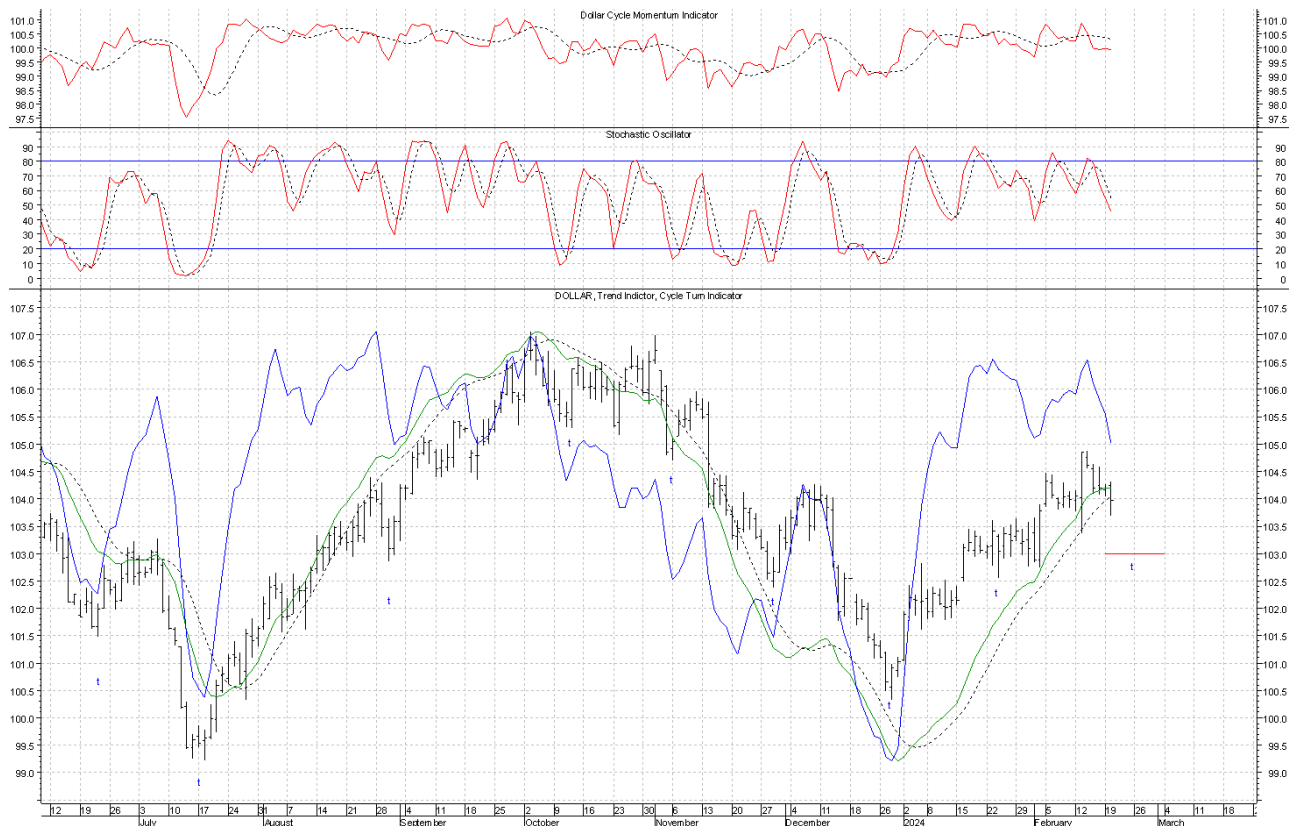
Confirming Indicators

Trend Indicator (TI)	Bullish
Cycle Momentum Indicator	Bearish

Secondary Indicators

5 3 3 Stochastic	Bearish
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The timing band for the pending trading cycle low runs between February 19th and March 2nd. If the decline in association with the February 15th short-term sell signal and into the trading cycle low completes the formation of a weekly swing high, then we should ideally have the higher degree intermediate-term cycle top as well. Price has moved into the early side of the timing band for this low, but ideally I would like to see continued weakness as we move into the middle portion of the timing band. That said, once another daily swing low and upturn of the daily CTI are seen, a short-term buy signal will be triggered and this low should be in place. A daily swing low will be completed on Wednesday if 103.69 holds and if 104.32 is bettered.

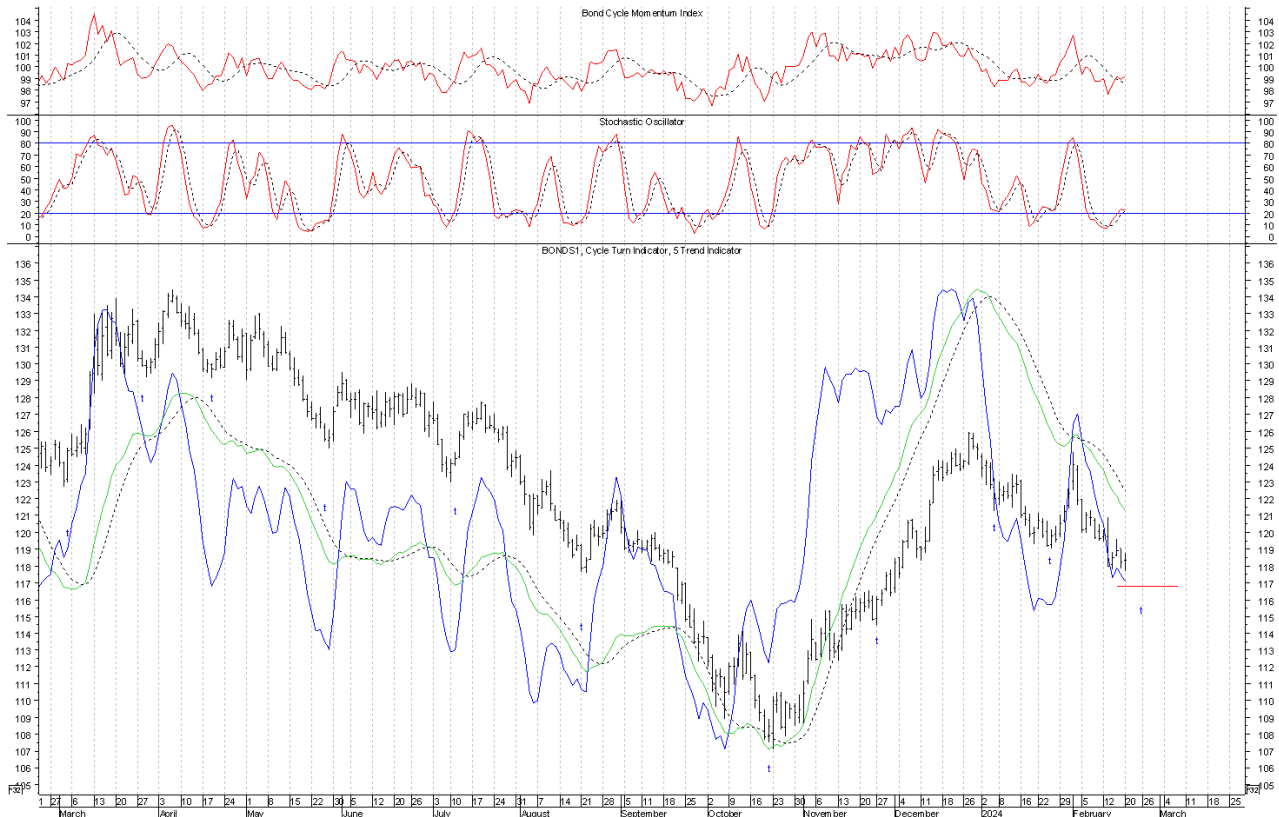


Bonds

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

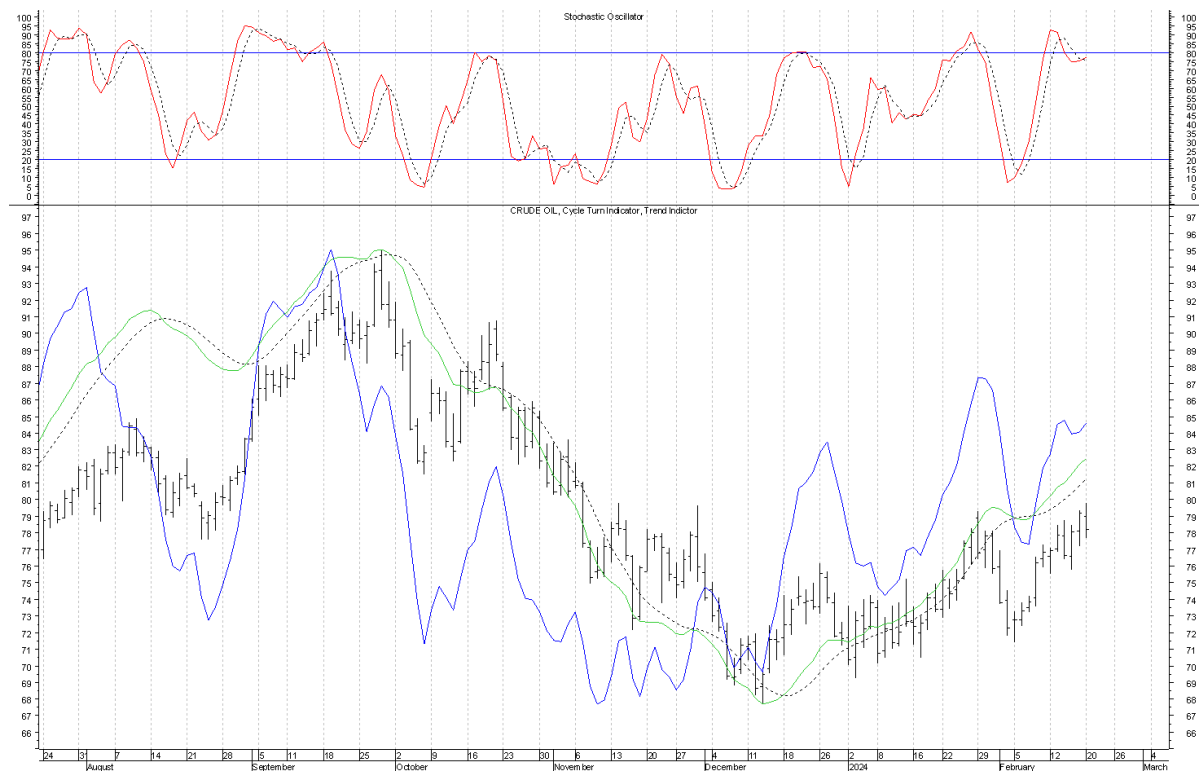
Daily Indicator Summary Short-Term Sell	
Primary Indicators	
Formation of a Daily Swing High	Bearish
Cycle Turn Indicator (CTI)	Bearish
Confirming Indicators	
Trend Indicator (TI)	Bearish
Cycle Momentum Indicator	Bullish
Secondary Short Term Indicators	
5 3 3 Stochastic	Bullish

The timing band for the now due trading cycle low runs between February 15th and March 7th. With Tuesday’s violation of the February 14th daily swing low, it is possible we have seen the trading cycle low, but until another short-term buy signal is triggered, further weakness will remain possible. I would ideally still like to see another couple of days down into this low, but once another daily swing low and upturn of the daily CTI are seen, a short-term buy signal will be triggered and this low should be in place. Based on the cyclical structure and timing for the intermediate-term cycle low the advance out of the now due 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. More on that as the advance out of the trading cycle low unfolds.



Crude Oil

The price action last Thursday completed the formation of a daily swing high and with the downturn of the daily **CTI**, a short-term sell signal was triggered. But, because of the reversal off the low, we needed to see a close below Thursday's low as confirmation of this signal. With the completion of another daily swing low on Friday, that additional confirmation was not seen. On Tuesday Crude Oil initially moved higher, but the reversal lower is again suggestive of a top as is the behavior of the 5 3 3 Stochastic. Any further weakness on Wednesday that completes the formation of a daily swing high, which is confirmed by a downturn of the daily **CTI**, will be further suggestive of the trading cycle top having been seen. Structurally, this advance served as the test of the higher degree intermediate-term cycle top and if a weekly swing high and downturn of the weekly **CTI** are accompanied with the decline out of the pending trading cycle top, then the evidence will be suggestive of this advance having run its course and that the intermediate-term cycle top has been seen. Another daily swing high will be completed on Wednesday if 79.80 is not bettered and if 77.67 is violated.



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