Weekly Re-Lay

Tech Tips in Action - October 10, 2024

"Range Trading, Cycle Synergy & LHRs"

10-09-24 - "**Stock Indices** remain positive with the DJTA & Russell 2000 correcting (but not turning their daily trends down) while the DJIA, S+P 500 & NQ-100 headed progressively higher.

The S+P Midcap 400 is trading similarly.

The DJTA has traced out an entire 'a-b-c' decline without turning its daily trend down, a sign that it could be ready to embark on a new rally… An initial high could be seen on October 17/18th.

That dovetails with the primary (geometric) cycle in focus in the DJIA… that comes back into play in mid-October 2024. A ~3-month cycle dates back to its mid-October '22 bottom, after which it timed peaks in January, April & July 2023.

That was followed by a ~3-month decline into the middle half of October '23 - when another 6 - 12 month bottom was set.

From there, the DJIA traced out a ~3-month/~13-week low - low (Jan 17) - low (Apr 17) - high (July 17/18, '24) *Cycle Progression* - projecting a future peak for the middle of October… ideally October 17/18, 2024.

A corroborating ~10-week low-low-(high?) and ~5-week low-low-(high?) *Cycle Progression* also converge during the week of October 14 - 18, '24.

Similar to the DJTA, the S+P Midcap 400 has stronger synergy of cycles near month-end (as compared to mid-month).

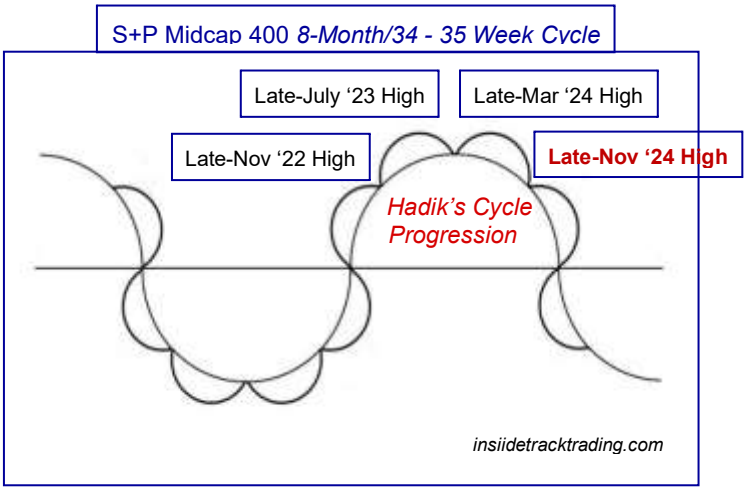
This could be showing that stocks will see a rally into October 14 - 21st (greatest synergy on Oct 17, 18 & 21) followed by a brief pullback and then a late-month rally to divergent highs…

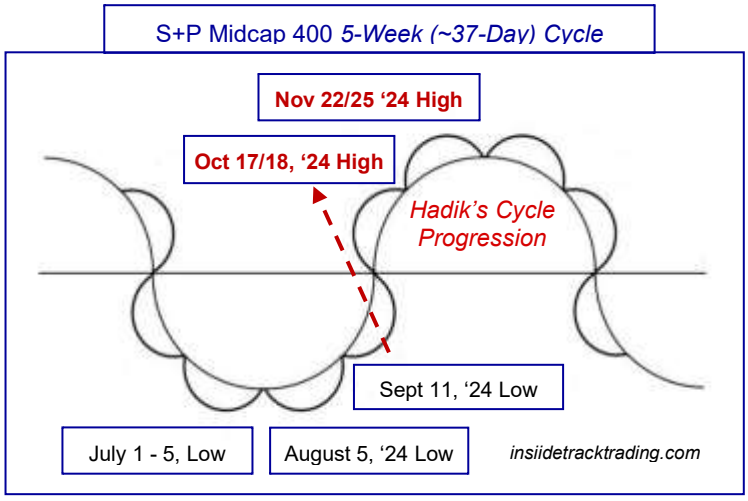
ITTC

Weekly Re-Lay

Tech Tips in Action - October 10, 2024

"Range Trading, Cycle Synergy & LHRs"





But that might just be a precursor high…

Similar to what occurred in June/July 2024, this could be showing that another push into smaller & mid-sized stocks is on the horizon.

Interestingly, the S+P Midcap has its greatest synergy of monthly & weekly cycles converging in late-November '24.

If a multi-month high were set at that time, it would fulfill the following cycles & timing indicators:

- ~13-month/~56-week low-low-(high; late-November '24) *Cycle Progression*.
- ~8-month/34 - 35-week high (late-March '22) - high (late-Nov '22) - high (late-July '23) - high (late-March '24) - (high; late-Nov 2024) *Cycle Progression*.
- ~4-month/~17 - 18-week high-high-(high; late-November '24) *Cycle Progression*.
- ~2-month/~8 - 9-week high-high-(high; late-November '24) *Cycle Progression*.
- ~15-week low-low-high-(high; late-November '24) *Cycle Progression*.
- ~5-week low-low-low-high*- (high; late-November '24) *Cycle Progression*… *if the S+P Midcap rallies into October 14 - 18th.
- Back-to-back-to-back-to-back ~13-month rallies (Dec '18 - Jan '20, Mar '20 - Apr '21, June '22 - July '23, Oct '23 - November 2024).

So it is possible, if it emerges as expected, that a late-October peak would only be a penultimate one… *with the ultimate IDX peak waiting until late-Nov '24*.

The S+P Midcap 400 remains in a bullish setup after setting multiple peaks at 3120 - 3140/IDX.

The latest spurred a brief pullback that twice neutralized (but did not turn down) the daily uptrend while setting successive lows at the rising daily *21 High MAC* and reversing higher repeatedly (without turning the intra-month trend down).

All those factors are likely to spur a breakout higher that could see a quick, accelerated rally into October 17 - 21st...

"Range Trading, Cycle Synergy & LHRs"

21 MAC & 21 MARC

As a type of moving average, the *21 MAC* (daily, weekly, monthly) plays several important roles in trading. From a general, foundational perspective, it helps identify trends versus congestion (when it is trading flat and/or shifting back and forth from moving higher to lower to higher, etc.).

Combined with the inversely-correlated *21 MARC* (the replacement data for the *21 MAC* - the level that is being removed from the calculation of the current *21 MAC*), this indicator also identifies impending time frames when a transition is likely… most commonly a transition from congestion to trend and/or breakout move.

A third use of the *21 MAC* (though not the only remaining one) is for rising support or declining resistance in a trend. That is helpful for trailing stops in an existing trade or entry/re-entry following a brief correction. (See *Eric Hadik's Tech Tip Reference Library* for calculations and other details.)

Bottom Line - Stock indexes are set up for a new rally…"

This analysis from the October 9, 2024 *Weekly Re-Lay Alert* updates the upside potential for stocks in October/November 2024.

Though multiple 1 - 2 week peaks are expected in this two-month period (and subsequent sell-offs), a final multi-month high - at least in the S+P Midcap 400 (and Russell 2000, if mid-October action validates) - should wait until late-November '24… *ideally around Nov 22/25th*.

The S+P Midcap 400 has produced a series of *21 MAC* bullish signals - beginning with the monthly *21 MAC* (at early-August '24 low) and then the weekly *21 MAC* (in the second half of September '24). Any impending corrections should bottom without giving a weekly close below the rising weekly *21 High MAC*.

The recent pullback - into October 3rd - perfectly tested and held (never closed below) the rising daily *21 High MAC* - reinforcing the preceding weekly & monthly *21 MAC* buy signals.

At the same time, the S+P Midcap 400 continues to test pivotal range-trading resistance at 3120 - 3140/IDX in preparation for a breakout higher.

This index has traded between ~2850 and ~3125 - the latest range parameters in this advance from late-2023 - since mid-February '24. It has tested ~3125/IDX three primary times (with numerous daily tests) in July, August & September… conjuring up the old adage:

"Double tops hold… Triple tops don't"

If/when the IDX closes above 3125/IDX - on a daily AND weekly basis - it will signal a breakout to the upside with the *potential* to surge to the next range-trading target near 3400/IDX.

That is intriguing since the yearly *LHR* - the extreme upside target for 2024 - is just above 3400/IDX. Corroborating that, the latest 3 monthly *LHR*s are also surrounding 3400/IDX - so it is also a monthly extreme upside target. If that is going to be the case, other reinforcing indicators should concur.

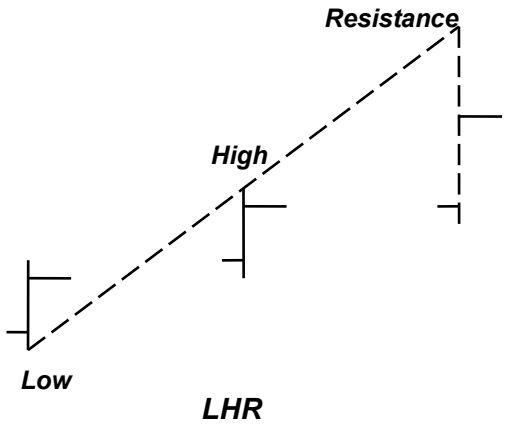
 Copyright 2024 *INSIIDE TRACK Trading*
POB 371 Clovis CA 93613 630-637-0967 *admin@insiidetracktrading.com* *www.insiidetracktrading.com*

Weekly Re-Lay

Tech Tips in Action - October 10, 2024

"Range Trading, Cycle Synergy & LHRs"

INSIIDE Track Trading Tech Tip - LHR Indicator ***www.insiidetracktrading.com***



LHR (and its inverse - the *HLS*) is an effective means of measuring an extreme** move in any market. This often coincides with a dynamic '3' wave rally on that same proportion and precedes a final top by 2 - 3 periods (days, weeks, months). A weekly *LHR* is often tested 2 - 3 *weeks* before a final peak. A daily *LHR* is often tested 2 - 3 *days* before a final peak, etc.

[**'Extreme' is relative/proportional. A daily extreme does not compare to the magnitude of a monthly extreme and would only indicate a trend, acceleration and/or a reversal on a short-term basis. *Do not mix apples with bigger apples.* This indicator is limited in scope and should be used in conjunction with others.]

Just as important are the myriad cycle highs converging in late-November, most synergistically around November 22/25th, 2024. That is the ideal time - from a timing & cycle standpoint - for the S+P Midcap 400 to set a multi-month (and possibly longer/larger) peak… with or without other indexes coinciding.

On a related note: The potential for stocks & Bitcoin to rally into and after Election 2024 (see 10/03/24 issue of *The Bridge*), Gold & Silver to peak in late-October, and the outlook for a US Dollar sell-off in 2025 are providing a trio of clues regarding the outcome of this election. (Refer to related analysis for more details.)

Please refer to ***Eric Hadik's Tech Tip Reference Library*** for more detailed analysis & illustrations of related technical indicators.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

All *Tech Tips*™ & the term *Tech Tips*™ are trademarks of *INSIIDE TRACK Trading*. Information & data is from sources believed reliable but accuracy cannot be guaranteed. Principals/employees/associates of *INSIIDE TRACK Trading* may have positions in cited contracts or other vehicles. No part of this publication may be re-transmitted or reproduced w/out the editor's written consent. All analysis & trade strategies are based on the entire trading session unless otherwise specified. Risk control & proper money management are the most important facets of trading, which is why no more than 2 - 3% of a trading portfolio should be risked on any one trade. Trading Strategy results are based on entry & exit at recommended levels and do not account for slippage or commission costs. Readers using this information are solely responsible for their actions & invest at their own risk. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. FUTURES TRADING INVOLVES SUBSTANTIAL RISK.** Copyright 2024 *INSIIDE Track Trading Corporation*

POB 371 Clovis CA 93613 630-637-0967 *admin@insiidetracktrading.com* *www.insiidetracktrading.com*