Late-2014 Cycle Peak...

October Blues

Oct. 2014 - The month of October has been a pivotal month in Stock Indices for many decades. That includes Black Friday in October 1929, Black Monday in October 1987, the mini-crash that followed in October 1989, the post-Kuwaiti invasion low of October 1990 (that ushered in the 1990’s bull market and the notorious Tech Bubble), the ensuing low of October 2002 - that ushered in the next bull market and the real estate/sub-prime bubble of the 2000’s - and even the peak that ended that bubble, in October 2007.

The funny thing is that October has represented the month of extremes. It has timed Major tops & crashes and it has pinpointed Major lows and opportune buying opportunities. So, what about October 2014? What will it hold?

In order to begin to address that question, it actually takes a significant gathering of analysis - much of it already published - to construct a possible scenario for October 2014… and beyond...

As this latest bull market has unfolded - from 2008/2009 and more so from Aug./Oct. 2011 - there have been corroborating cycles that helped hone this analysis. One of those has been the 15–16 month cycle that has governed the Indices since the March 2009 low. It has been discussed for several years and subsequently timed lows in June/July 2010 & Oct. 2011. After that, it arrived early - in Nov. 2012.

In retrospect (20/20 hindsight), that Nov. 2012 low was linked to the Aug. 2011 low in the Nasdaq 100 - which had arrived earlier than the Oct. 2011 lows in the DJIA & S&P 500 - creating two competing cycle lows. That 15-month low-low cycle (Aug. 2011–Nov. 2012) projected a subsequent low in Feb. 2014 - that arrived on schedule. But, there was more...
That Feb. 2014 cycle low had been corroborated by its half-cycle - an approximate 7.5 month cycle that helped pinpoint the late-June 2013 bottom (that was also discussed previously). And, a 7.5 Month Cycle from the early-Feb. 2014 low - and a 15-Month Cycle from the late-June 2013 low - reached fruition in late-September 2014…

32--33 Week Cycle

The charts on page 4 are reprints of charts that were published in the June 2012 INSIDE Track (along with corresponding analysis included on page 3) that reiterated this cycle - a cycle closely linked to the 11-Week Cycle that had been a frequent topic of discussion in 2011.

The chart [on page 4] is the current action of the Nasdaq 100 and the 32--33 Week Cycle that culminated on Sept. 15--26, 2014.

Actually, it has been a very precise, 32-Week Cycle since Nov. 2012. The current NQ-100 peak of Sept. 19, 2014 completed a precise, 32-week low-low-low-high Cycle Progression and closely followed the NYSE peak of early-Sept.

At the time, the NYSE & NQ-100 triggered daily trend pattern sell signals (on Sept. 19th/22nd - see corresponding Weekly Re-Lays) and projected a sharp drop into Oct. 6--10, 2014.

Other indicators leave open the potential for that decline to stretch into Oct. 13--17, 2014 (see Sept. 25, 2014 Weekly Re-Lay for a breakdown of multiple signals and objectives corroborating this analysis). So, what does that mean for October?

October Blues

For starters, the action of Sept. 3rd/4th--Sept. 19th/22nd built expectations for a sharp drop in the first part of October…

Once these Indices - and the DJIA & S+P 500 - confirmed that (at least) an intermediate peak had taken hold in September, it clarified expectations for cycles in the first half of October (see reprint of Sept. 2014 INSIDE Track analysis on page 7), which could only be a low.

That would actually be a better affirmation of future cycles in April 2015.

As recounted on page 7, geometric cycles (90, (Continued on page 6)
32--33 Week Cycle (2012 Analysis)

04/30/12 - 3-6 Month+ Outlook:

Stock Indices remain positive and on track for an overall advance into 3Q 2012. They completed their projected advance - from cycle lows in early-October into cycle highs in March - and have consolidated for the past 4-6 weeks. As described last month, the NQ had multiple cycles peaking on March 26--30th including a 22-week high-high cycle (following an 11-week rally) and an overall 33-week advance from Aug. 2011, 1/2 of the 66-week cycle that has spanned major lows in the DJIA & SP.

It rallied into March 27th, fulfilled upside price targets and has not closed above that high since then...If a peak is seen in early-May - without turning the intra-month trend up - it would set the stage for a second, 2-3 week decline into May 21--25th.

That is the time frame when an intermediate low (either higher or lower than the April lows) is likely...180 degrees from the November 25th low. It is also 33 weeks - the midpoint of the 66-Week Cycle - from the October 3rd/4th, 2011 bottom. The daily & weekly trends and price action should help clarify this.

05/31/12 - 3-6 Month+ Outlook:

Stock Indices have turned neutral with the S+P 500 & Nasdaq 100 futures reversing their weekly trends to down...There is also a cycle argument for some near-term support...these larger-degree cycles focused on May 21--25th. This led to the following conclusion, detailed in the May 16, 2012 Weekly Re-Lay Alert:

"Stock Indices remain in the 'c' wave of an intermediate correction that began in late-March...and that has been projected to extend into May 21--25th - when a multi-month bottom is likely...at the next phase of a 32-33 week cycle (3xs the prevailing 11-Week Cycle & ½ of the 66-week cycle that has pinpointed 3 consecutive major lows).

In the case of the S+P, this 32--33 week cycle has created a 32--33 week rally from the June/July 2010 low, followed by a 32--33 week decline... into the October 2011 bottom. That October low projects an ensuing low, 32--33 weeks later - on May 21--25th (potentially on May 14--18th)."

...It is always important to keep the bigger picture in perspective, so as not to lose sight of what is most important...As long as they hold, the Indices should rally back to their March highs."

Oct. 2014 - The 32--33 Week Cycle is a multiple of the 11-Week Cycle (discussed throughout 2011, helping to pinpoint the July 2011 peak and Oct. 3--7, 2011 bottom) - a cycle that is also at the root of a 22--23 Week Cycle & 44--45 Week Cycle, discussed since 1999--2000. In 2012, it was forecast to pinpoint a low in late-May, which arrived right on schedule (see 11-Week Cycle series at www.insiidetrack.com for preceding articles).

At the same time, an overlapping 32--33 week (~7.5 month) Cycle Progression formed - connecting the late-March/early-April 2012 high with the Nov. 2012 low... and then the late-June/early-July 2013 low. That was forecast to lead to a February 2014 low - which took hold as anticipated. The ensuing phase of both the 32--33 Week AND 66-Week (7.5 & 15-month) Cycles came into play in Sept. 2014 - on Sept. 15--26, 2014... the exact time the Nasdaq 100 just set a spike high...April 2015 is the next phase!  IT
32–33 Week Cycle Chart from 2012

DJIA Weekly Chart: 22, 33, 44 & 66 Week Cycle Progressions

Nasdaq 100 - Weekly Chart 32–33 Week Cycle

32-Week Low-Low-Low-(High) Cycle Progression - Sept. 15–19, 2014 Peak?

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**Stock Indices**

08/29/14 - 2014 - most synergistic in 4Q 2014 - is not only when so many Stock Index cycles and timing indicators converge, it is also the completion/transition of multiple social/economic/financial cycles...

On a near-term basis, the Indices were expected to see a ~5% correction from intermediate cycle highs in July into cycle lows on August 5–14th (most synergistic on August 8th/11th) - at which point a new advance was projected to take hold. They did sell off; they did drop about 5%; and the Indices did bottom on August 7th & 8th… and a new advance has taken hold.

And that has reinforced at least one cycle in 4Q 2014... As with every turning point, there is current significance and future significance... that could have a profound impact on a momentous cycle date in 2015...The sequence involves the 90-degree cycle - but a different application of it. The DJIA set a pivotal low on Oct. 9–13, 2013, which was followed by an equally important S&P high in mid-Jan. - 90 degrees later (the DJIA set a high earlier and could not retest that high in mid-Jan.). On April 11th/14th, the DJIA & S&P set another decisive low…[October 10–17th is next].

However, it is 180 degrees later that really intrigues me...Mid-April 2015... overlaps a 40-Year & 240-Year Cycle I have discussed previously. They stem from the original/initial American war (first shot of Revolutionary War fired on April 19, 1775) and the end of the last Major war - Vietnam - in April 1975...

As explained previously, April 2015 will mark the completion of a 40-Year Cycle of ‘peace’ - and by that, I simply mean the lack of any American wars on the scale of the Revolutionary, Civil, WWI, WWII & Vietnam Wars. April 2015 will complete that cycle and usher in a new one… when things could change dramatically, from that point forward.

April 2015 is also EXACTLY 70 years from the defeat and death of Mussolini & Hitler in April 1945 (as well as Roosevelt, which led to the ascension of Harry Truman and the decision/events of early-August 1945). So, here again, it is the completion of a MAJOR cycle from the end of a momentous war...

*The point of all this is simple*. Of all the primary, major, multi-year cycles I follow (11-Year, 17-Year, 40-Year, 70-Year and even a 200- & 240-Year Cycle) - and which have proven themselves accurate and consistent for centuries - ALL of them converge in April 2015, with respect to war and peace.

October 2014 - The lows of mid-Oct. 2013 & mid-April 2014 create a ~180-degree cycle that would be perpetuated with a low in mid-Oct. 2014… and project focus to the next phase in mid-April 2015. The implications and ramifications of that will be discussed in follow-up Reports and publications. IT
180, 360 degrees or days) converge on Oct. 13--17th and provide the perfect opportunity for a 'precursor cycle low'.

In other words, by fulfilling the potential for an intermediate low - and the culmination of a multi-week period of selling - Oct. 13--17th could provide an archetype of what to expect in mid-April 2015, 180 degrees in the future.

So, an intermediate bottom around mid-October could have very revealing current AND future ramifications...

So, could the market events of October 2014 - and the ensuing months - shed some light on what to expect in April 2015? Absolutely. And that will be the topic of an ongoing discussion... IT


Early-May 2015 will also be the next phase of the over-arching 66-Week Cycle (15--16 months) that most recently pinpointed the Feb. 2014 low and before that, the Nov. 2012 low (and, before that, the Aug. 2011 NQ-100 low).

That 32--33 Week low-low-low-high-(high) Cycle Progression AND ~66-Week low-low-low-(high) Cycle Progression could provide important clues as to what to expect in the late-April through late-Sept. 2015 period that could be the 'undoing of the stock market' as just described in the Oct. 2014 INSIDE Track (when a 20% decline becomes more likely). See publications for details... IT