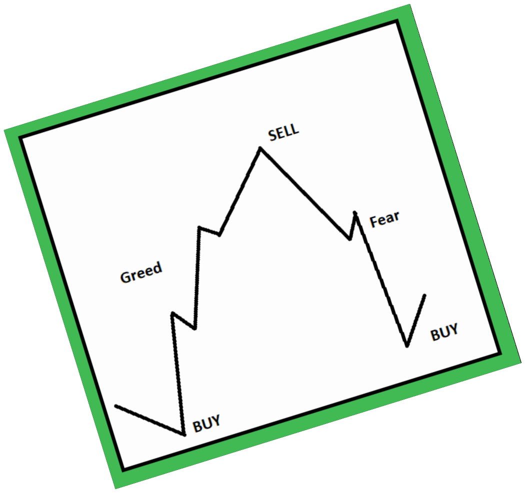


Cycle Report

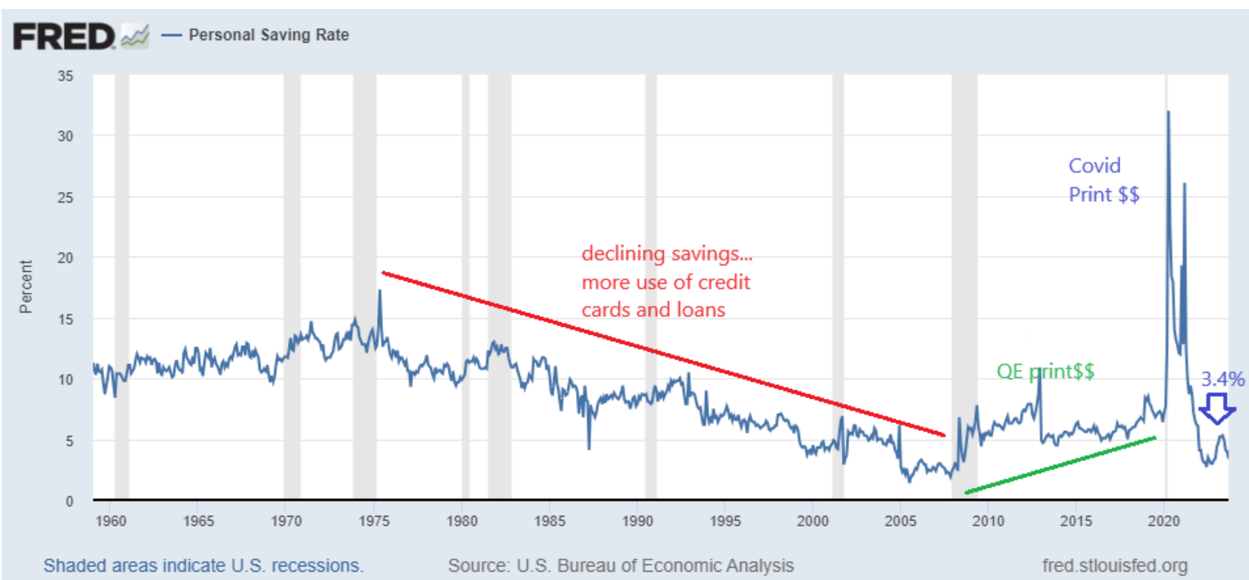
November 11, 2023

Welcome to the November 11 issue of the Cycle Report.

In this issue, I provide an update on the trends of the S&P 500 and Nasdaq equity indices as well as the trends of corn, oil and gold. I offer an update on what cyclical events are influencing these trends.

In addition, I explore for the first time the cycles that influence the Russell 2000 small cap index.

Before I launch into my analysis, I want to share with you a chart that shows a troubling phenomenon–that of declining savings in the US. I am very certain that this phenomenon also applies to other "western" countries as well.



I have memories as a young kid in the early 1970s going with my Dad to a car dealership and watching him either write a personal cheque or pay cash to buy a new truck. In the later 1970's, I remember hearing about people who were "financing" vehicle purchases. This all seemed very foreign to me. I can remember my Dad shaking his head in disbelief at these people. I remember one day when I was in Grade 9 having a discussion with a classmate about houses. He asked me how big of a mortgage my parents had. I had to admit that I knew little about mortgages because my parents did not have one. Everything they owned was fully paid for. The above chart tells the rest of the story. Starting in the mid-1970s, America (and other western nations) went from a savings mentality to a borrowing/financing mentality. The savings rate declined right into the financial crisis of 2007-2008. This crisis represented the peak of the flawed financing mentality. The whole system then collapsed on itself.

In the aftermath of the collapse, Central bankers came to the rescue with a new strategy called "quantitative easing". Massive amounts of liquidity were injected into the financial system. Markets rose and people once again started saving. Interest rates dropped which allowed people to refinance their homes and set some of the gains aside.

Any then came the COVID crisis. Once again, massive liquidity was injected into the system. People started working from home while collecting stimulus payments. The savings rate jumped.

However, this rise in savings would prove fleeting once Central bankers started hiking interest rates to squash the evil demon inflation. Prices of consumer goods rose sharply and people's savings started to drop off as they failed to adjust their lifestyles and consumption habits accordingly.

As of here and now, the savings rate is around 3.4%. The last time the savings rate was this low was in 2004.

Declining savings, higher for longer interest rates, uncomfortably high mortgage rates–all are factors that will contribute to a slowing economy going forward.

The reason I have included a study of the Russell 2000 in this issue is to hammer home the point that something like 7 stocks (some people say 9 stocks) have largely driven the S&P 500 index this year. The smaller cap market has suffered badly. I believe it is the smaller cap market that is an accurate reflection of the state of the economy.

Meantime, at last week's debt auction, $40 billion of 10-year notes sold at a disappointing yield to maturity of 4.5%. Investors are signaling a loss of confidence in America. And rightly so. Debts of $32 trillion and budget deficits of something like $2 trillion. Government shut-downs and dysfunction in Washington. Frayed relations with China and Russia. It is toxic brew to be sure. The financial media is blathering about the Fed–when will Jerome Powell cut rates? It is no longer about the Fed and Mr. Powell. If investors are now demanding a higher yield on government debt, confidence is eroding. As you ponder all of this, I ask that you keep in mind the most important cycle of all–the 18.6 year McWhirter Cycle (also known as the Node Cycle). Come late 2026 or 2027, expect the economy to be in a dire crisis situation again. The writing is already on the wall. Sadly, most people cannot read the writing. But you can–thanks to your decision to follow my writings and educate yourselves on the cycles that drive the market and the economy.

Now…let's see what has been happening in the markets.

E-mini Nasdaq

Daily Chart Trend: bullish

Weekly Chart Trend: bearish

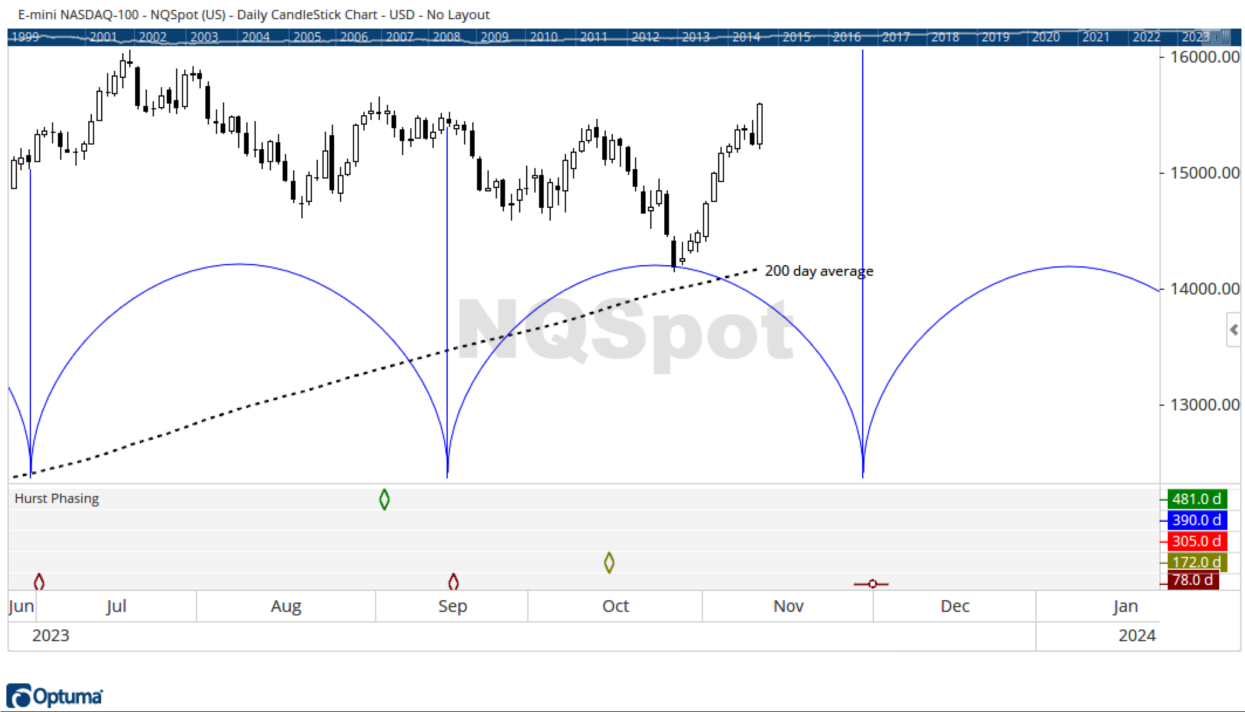
Long Term Trend: bullish (the 200-day average provided support)

The chart above has been overlaid with points A through K. The chart has also been annotated with descriptions of what happened at each of these points.

In the last issue of the *Cycle Report*, I described how the Nasdaq e-mini index was hovering just above its 200-day moving average. A violation of this key average would have sent panic through the streets of New York. Price action held and did not violate the 200-day average. Why? The answer is point K on the chart was a Fibonacci 38.2% retrace of the overall move from point A to point F. Fibonacci values *never* cease to amaze me!

The daily chart trend is now bullish. The weekly chart trend is bearish but improving. The major trend is still bullish thanks to the 200-day average holding firm.

The cyclical movement of Mars around the zodiac will see it pass the Nasdaq 1971 natal Mars point from November 28 to December 15. The Sun will also pass the natal Mars point during this timeframe too. Watch for a possible trend change during this time interval. If W.D. Gann were looking at this chart now, he would observe that price action has taken out the swing pivot at Point J, thus triggering a buy signal.



The dominant cycle on Nasdaq is the 78-day (calendar day) cycle. This equates to *about* 53 trading days (bars on the chart). A recent cycle reached its terminus on June 27. The most recent 78-day cycle ended in mid-September. The current cycle will run to late November, when Mars and Sun will start transiting past the 1971 natal Mars point.

The next Hurst intervals of interest will not occur until February 2024.

The trend on Nasdaq is bullish in the short term. Wall Street has apparently decided that the higher-for-longer interest rate scenario will not be a detriment to the handful of big tech stocks that have powered the markets in 2023. The reason is – these big names are enmeshed in our lives. We cannot seemingly live without Amazon, Facebook, Apple, Microsoft and Google. Fund managers know that the earnings of these companies will be reasonably stable because consumers cannot live without these big tech names. Therefore–buy the dip….sell the rally, even if the P/E multiples might be stretched on these stocks.

E-mini S&P 500

Daily Chart Trend: bullish

Weekly Chart Trend: bearish

Long Term Trend: bullish

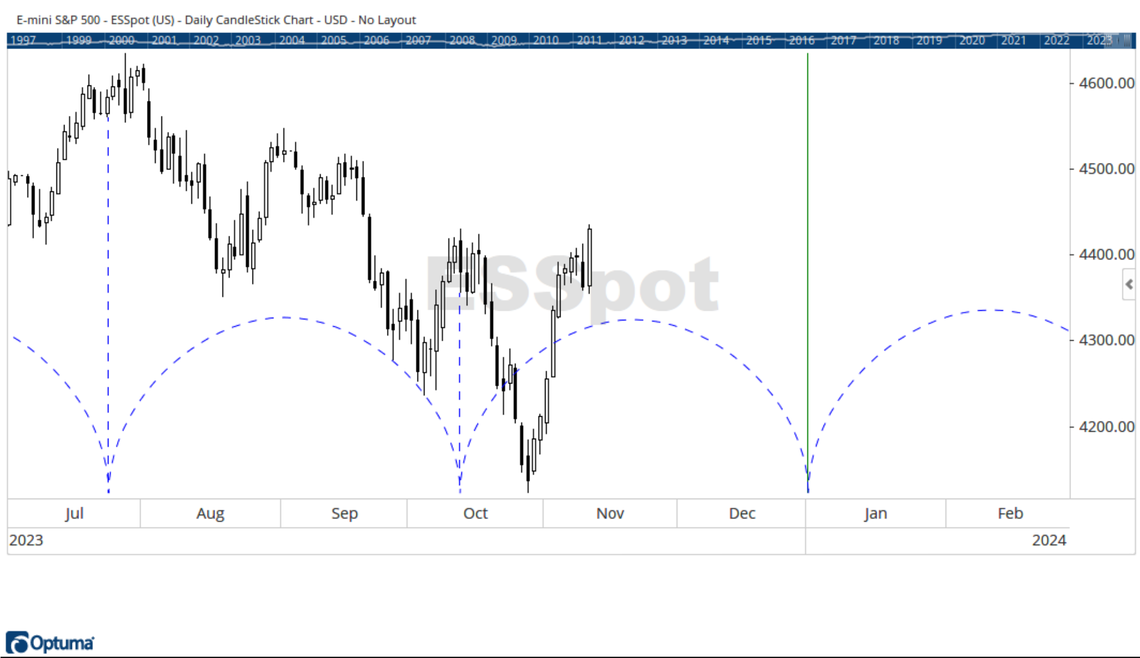
The 200-day average was recently severely tested on the S&P 500. The price decline stopped at a Fibonacci 61.8% retracement of the overall move from March 2023 to July 2023. Once again, Fibonacci math proves itself amazing!

The trend on the daily chart is now bullish, thanks in large measure to price gains on the handful of large tech stocks that have driven the markets in 2023. The weekly trend is still bearish, but improving. The major trend is again bullish with price above the 200-day average. If W.D. Gann were looking at this chart now, he would observe that price action has taken out the swing pivot from October, thus triggering a buy signal.

Cyclical movements of Venus and Mars also affect human emotion and thereby the markets. It takes Venus 225 days to orbit the Sun (as viewed from the vantage point of the Sun). Mars takes about 693 days to orbit the Sun from a heliocentric viewpoint. As I explain in my annual *Financial Astrology Almanac*, Kabballah sacred mathematics reveals some key numbers which can be translated into degree intervals. Applying these intervals of planetary movement to Venus and Mars reveals that these planets somehow affect human emotion and by extension the markets.

For example, using a start point of the February 2020 market peak, a Venus 137.5-degree cyclic interval will land again on November 21. A Venus 222.5-degree interval will land on December 9. There are no Mars intervals on the near-term horizon.

For the benefit of recent subscribers, German researcher Theodor Landscheidt developed a cyclical model based on the gravitational attraction between the solar system's center of mass and Jupiter. The center of mass of the solar system is located very close to the Sun. The Sun behaves like a fluid in its movement – always slowly shifting in shape. As the Sun fluidly changes shape, the solar system center of mass is also slowly shifting (thanks in part to Jupiter's gravitational pull). Landscheidt concluded that the shifting center of mass influences human emotion and thereby the financial markets which are a proxy for human emotion. NASA scientists have modelled the changes to the center of mass of the solar system. With that data in hand, I can calculate the dominant Landscheidt cycles. Here and now, the Landscheidt cycles I watch for on the S&P 500 are now about 56-58 days long. This time span might change over the coming year as the solar system's center of mass shifts.



A Landscheidt cycle ended in July. Note what happened to the S&P 500 –it reached a peak. The most recent Landscheidt cycle ended around October 11, just as a counter-trend rally effort failed. The current cycle will run until late December.

For recent subscribers, it is further interesting to note that in the early 1970s, NASA mathematician J.M. Hurst realized that time series price data from a market index is comprised of overlapping, interwoven smaller cycles. The mathematical algorithm used to identify these smaller cycles is called the Periodogram.

Between now and year end there are some shorter Hurst intervals (51-day interval on November 22 and a 78-day interval around December 19).

The cyclic movement of Sun and Mars relative to the NYSE 1792 natal birth horoscope is also important. Sun and Mars have now completed their transits past the natal Neptune point of the 1792 horoscope. In the October 20 issue of this Report, I mentioned this transit and said… This leads me to suspect the 200-day average on the S&P 500 will hold and markets will stabilize.

I was mostly correct in my prognosis. The 200-day average ended up being violated, but a Fibonacci retracement level came to the rescue and a recovery effort started.

Looking into the near future, Venus will be passing the 1792 natal Neptune point near the end of November. Curiously enough, this is also the timeframe for the 137.5 and 222.5 heliocentric degree intervals of Venus (as discussed above). Mercury will be retrograde from mid-December to Jan 1, 2024. Mercury retrograde often provides some surprises. I find it curious that a Landscheidt cycle will end in late December just as Mercury retrograde finishes.

The trend on the S&P 500 is bullish in the short term. Wall Street has apparently decided that the higher-for-longer interest rate scenario will not be a detriment to the handful of big tech stocks that have powered the markets in 2023. The reason is – these big names are enmeshed in our lives. We cannot seemingly live without Amazon, Microsoft and Google. It is these tech names that are helping the S&P to move higher. Many individual stocks are still, however, suffering.

Russell 2000

Daily Chart Trend: bullish

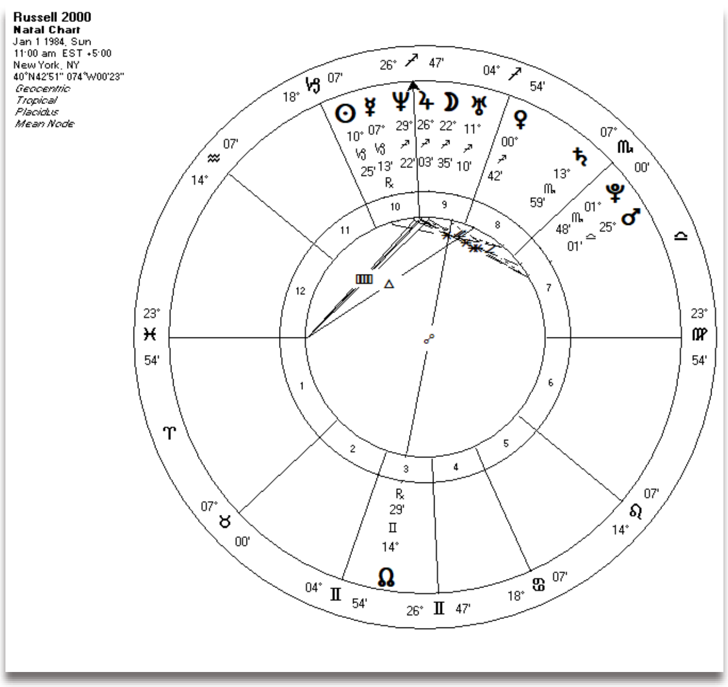
Weekly Chart Trend: bearish

Long Term Trend: bearish

To illustrate the point that many stocks are suffering, in this issue I am introducing you to the cyclicality of the Russell 2000.

This small cap index traces its origins to January 1, 1984. This date happened to be a Sunday. Markets were obviously closed. However, on the first trading date after the New Year's holiday, data on the stocks selected for this new index would have started compiling.

The following is the natal horoscope for January 1, 1984.

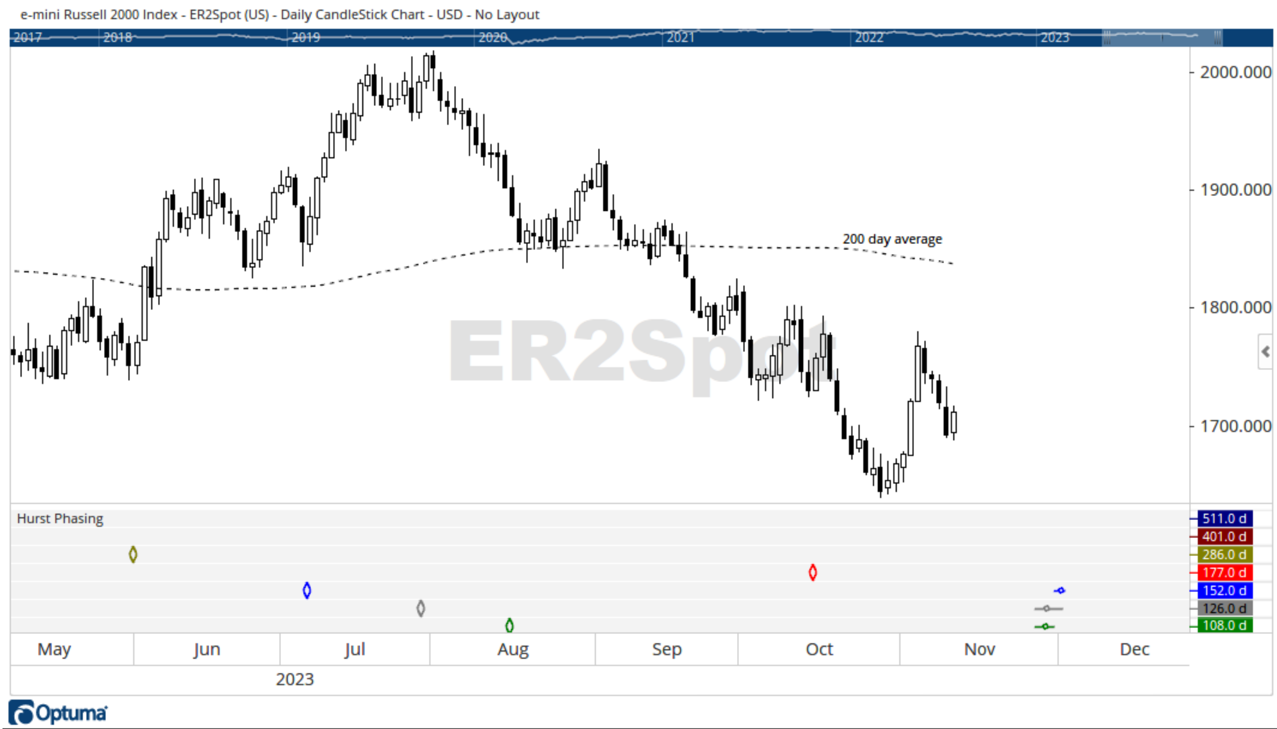


At 11:00 a.m., the Mid-Heaven was at 26 Sagittarius. The "ruler" of Sagittarius is Jupiter. At the 11:00 a.m. hour, Jupiter just so happened to be positioned right atop the Mid-Heaven. Is this index IPO date a random occurrence or was it deliberately selected?

The above chart shows how planetary movement aligns to pivot points. The Moon is the key to navigating the Russell 2000.

The index has been in a broad sideways channel since 2022. Fibonacci retracements can be seen working (green lines). The major trend is solidly bearish which speaks to the effect of higher-for-longer rates on smaller-cap stocks. The weekly chart trend is also bearish. The daily chart trend is bullish, but that could easily change to bearish. Price will have to get above the Fibonacci 38.2% retracement level before a convincing argument can be made for better times ahead for the smaller-cap sector.

Between mid-December and early January 2024, both Sun and Moon will transit past the 1984 natal Mid-Heaven.



Analysis using the *Periodogram* function reveals that the Russell 2000 functions according to 108, 126, 152, 177, 286, 401, and 511 bar (trading day) cycles. There is a collection of three Hurst intervals that will arrive in late November. This is exactly when Sun and Mars will be transiting past the 1984 natal Mid-Heaven point in the Russell 2000 first trade horoscope. It never ceases to amaze me how cyclic intervals align to planetary movements past key points in a first trade horoscope wheel.

Crude Oil

Daily Chart Trend: bearish

Weekly Chart Trend: bearish

Long Term Trend: bearish (price less than 200 day average)

Crude Oil seems to follow monthly cycles that average about 68 months in length. The current cycle will end in early 2025.

After making a high of $123 per barrel in June 2022, the price of oil started to grind lower. Support was found in June 2023. Since then, price retraced Fibonacci 48.6% of this larger decline. As price hit the 48.6% Fibonacci retracement level, the rally failed and price started to falter. Here and now, price has retraced Fibonacci 61.8% of the rally that occurred from June to September 2023. If price is going to retrace a full Fibonacci 78.6% of this rally, price will have to test the $72 level.

On the above chart, notice how price retreated from the 48.6% recovery level in late September and then staged a counter-trend rally. This rally came as Mars was passing the 1983 crude oil natal Saturn point. Sun passing the natal Saturn point also contributed to the weakness.

In the 1983 natal horoscope wheel for WTI Crude four celestial objects form a rectangle pattern. The corner points of the rectangle are Neptune, Mars, Node, and Saturn. Sun and Mars making their cyclical transits past these corner points very often aligns to short term trend changes.

There is just one Hurst cyclical interval in November (168-day interval on November 14).

The next sensitive timeframe for oil pricing will be December 2023 and January 2024 when Sun and Mars pass by the 1983 natal Neptune point.

The above chart has been annotated with Moon declination events. My testing has found that oil price swing pivot points do align to Moon maxima, minima, and zero-degree declination events. The above chart shows that the recent lows on oil came at a Moon 0-degree declination event.

In mid-December when Sun starts to transit past the natal Neptune point in the 1983 first trade horoscope, Moon will be a its declination low. In late December when Mars starts to transit past the Neptune point, Moon will be at a declination maximum.

As above…so below…

Corn

Corn Daily Chart Trend: bearish

Corn Weekly Chart Trend: bearish

Corn Long Term Trend: bearish (price beneath 200-day average)

The trend on the daily chart of Corn is bearish as evidenced by the True Strength Index. The weekly intermediate trend is bearish. The longer term major trends remain bearish.

The lunar cycle remains a potent tool for assessing price swing points on Corn futures. I prefer to look at the Moon (and Sun and Mercury too) passing key points in the April 3, 1848 first trade natal horoscope wheel for the Chicago Board of Trade (CBOT). This is reportedly how W.D. Gann applied astrology to the grain markets.

The Mid-Heaven of this 1848 natal horoscope is at 9 degrees Aquarius. This makes Saturn and Uranus the co-rulers of the CBOT Exchange. The above chart has been annotated with two recent events of Moon passing the natal Saturn and Uranus points (October 25-27). November 18 will see Mon again pass the natal Mid-Heaven.

Heliocentric Venus advances of 137-degrees (starting from the highs at April 26, 2022) are also potent cycles to follow. December 15 will bring the next 137-degree Venus interval.

There is a scarcity of Hurst cyclic for the next few months.

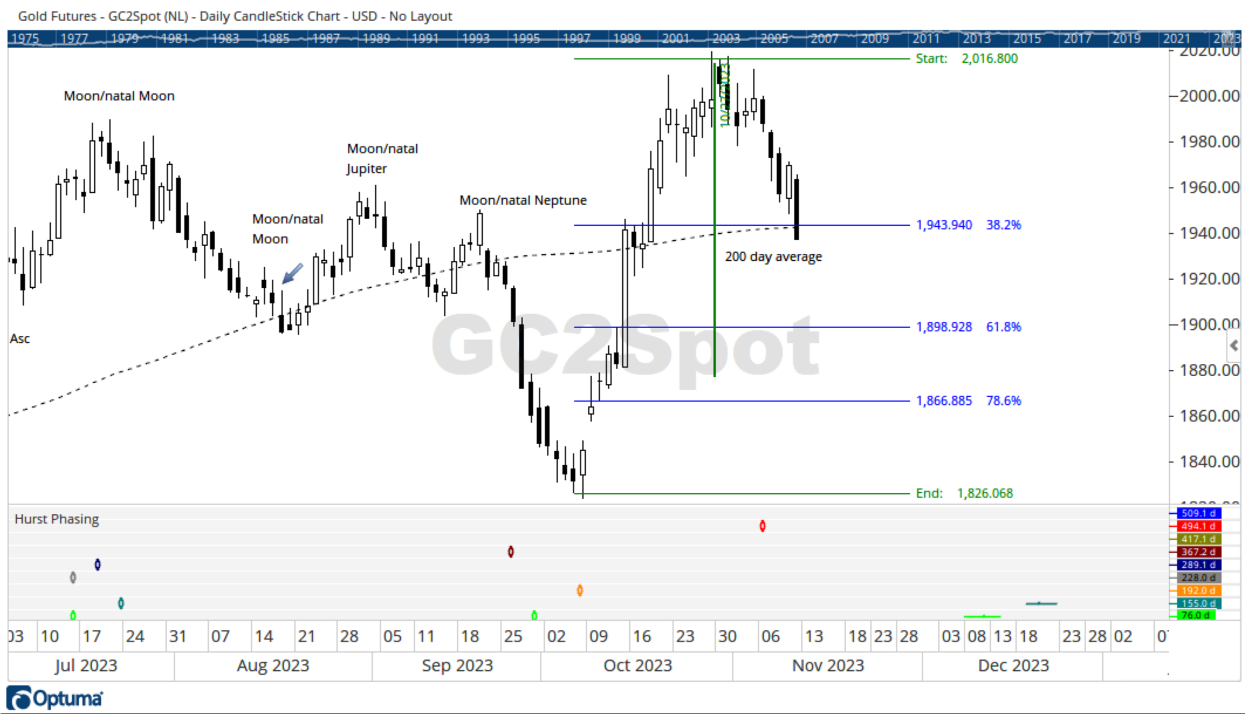
It looks as though Corn price will drift sideways for the next while. There is still room for Corn price to move lower to reach a price level that was typical five years ago. If price is going to retrace Fibonacci 78.6% of its move from 2020 to early 2022, then look for price to test the $4.15 per bushel level. Weak commodity prices are also a reflection of a strong dollar and higher interest rates. As farm operators get squeezed between low prices and high debt servicing costs, the economy will feel the pain. I am going to see if there is any money to be earned by selling naked Put options at the $4.15 level basis the March 2024 contract.

Gold

Daily Chart Trend: bearish

Weekly Chart Trend: bullish (but could turn bearish if price erodes further)

Long Term Trend: threatening to turn bearish (if price breaks the 200-day average)



In October, in an issue of my *Astrology Letter*, I alerted readers to the fact that: Mars will start transiting past the 1919 Gold Fix natal Ascendant point on Oct 13. Moon will follow a day later. Sun will start its transit past the 1919 natal Ascendant point on October 24.

What I did not envision at that time was the start of conflict in Israel. This geopolitical event (and these astrology events) sent human emotion on a rollercoaster ride and sent the price of gold surging higher– breaking a months-long downtrend.

In a recent issue of this *Cycle Report*, I noted that the heliocentric cyclical movement of Venus by 209-degree intervals might hold the answer to whether or not gold price would continue higher. I pointed out that the next Venus interval would be October 26. I also noted there would be a Hurst 509-day interval around the same time.

The above chart shows what transpired. Price suddenly reversed *right at* the Venus interval. When I see stuff like this happening, I am momentarily awe-struck. As above…so below. The cosmos really does influence our emotions.

Price has now retraced Fibonacci 38.2% of the recent push higher. The 200-day average is under assault. Will it hold or will we see a Fibonacci 61.8% retracement? Price here and now is mid-way between a Saturn 3rd and 4th harmonic quantum line. The coming days are critical to the story of gold….