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STOCK CYCLES FORECAST

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May 5, 2017 **Dow 20,940**

	Daily	Weekly	Monthly
Trend:	**UP ?**	**UP ?**	**UP ?**
Target: S&P	**2,440, 2465**	**2440, 2500**	**2500**
Breakpoint/Reversal:	**2368, target 2280**	**2368, target 2280**	**2368 target 2160**

Major Resolution

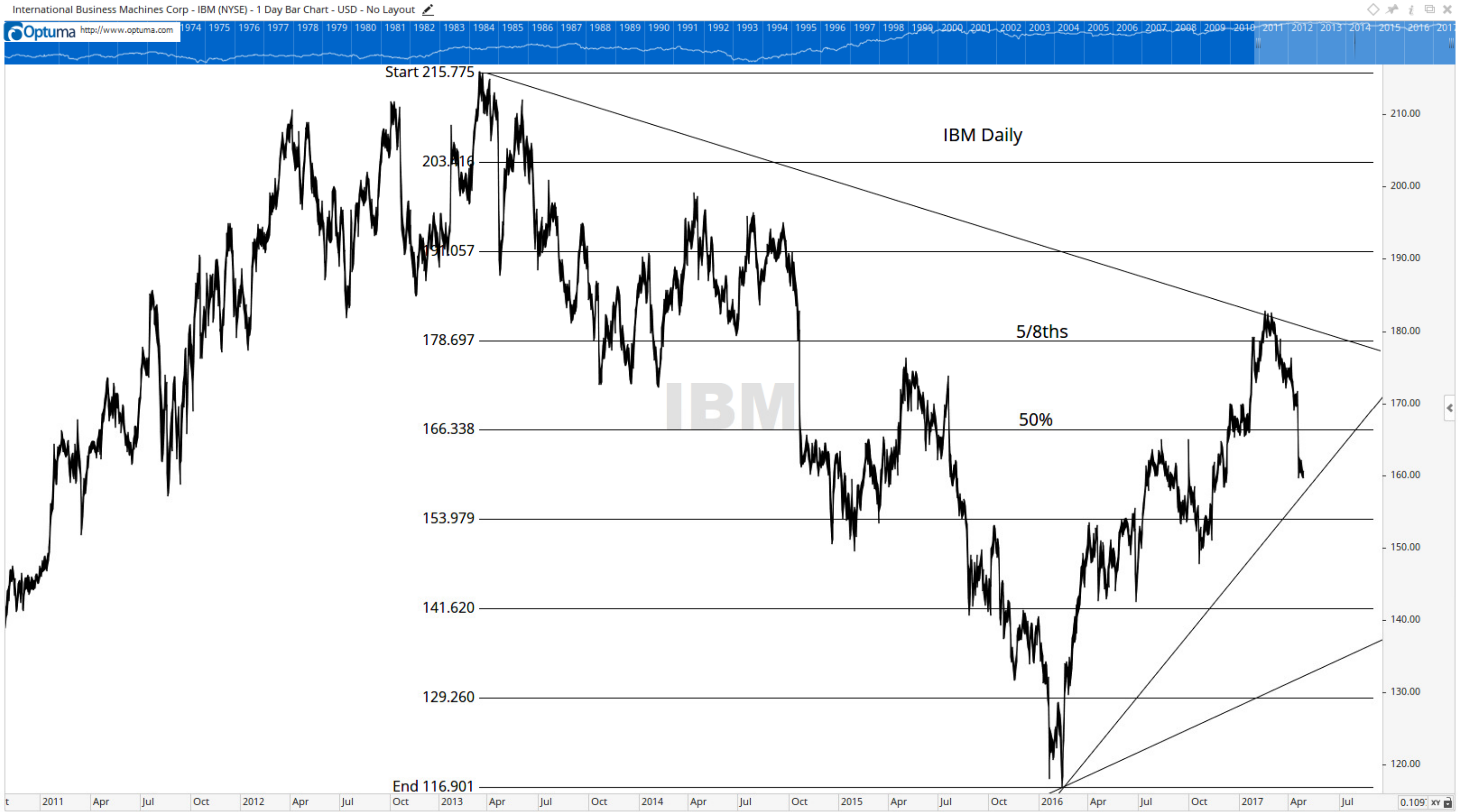
The low in 2009 was 666 and multiplied by the perfect '360' of 3.60 yields 2397 for a full cycle top. Should we get above that then a sizeable leg up could in theory take place and that would likely be 2500 or even more. It remains to be seen if this 2397 level can actually be exceeded by more than 1%-3% (2420-2468) as a final short squeeze like in January 1973. In any event our strategy would be to scalp long above 2380 with a 2368 close stop which would never be seen again if the breakout is legitimate.

The month of May has many big cycles due this year with the first on May 1st and extending to the 8th. The next cluster is the 14th to 17th, the 19th, and finally the 27th. These all are related to significant cycles in past history so something big should happen. I mentioned in the last letter that the Bradley Astro Model has the high for the next three years in mid 2017 so it is likely we are about to see a culmination. Whether that's a runaway upside spike or a roll over top remains to be seen, so strategies will focus on scalping long above 2380 using close stops and raising cash on each advance.

1987 of course has a sideways consolidation from March to May and then the big final leg up to August prior to the collapse so that could still be a replay. Note that in 1987 there was a last top the first week in May and the final low was the 19th-21st right were our next big cycles hit.

The valuations of stocks are high with much of the buying based on expectations for growth but so far most statistics are lukewarm and legislation is very slow moving. The only 'theory' for higher prices is the idea that trust in government is rapidly shifting back to the private sector on a long term basis, and investors will abhor government bonds and previously thought 'riskless' investments for the much greater growth in big international private sector companies. Since all global stock markets are currency movements into stronger currencies, in such a scenario of flight out of government assets, then all the world capital would congregate into the top 500 global names as a currency proxy, driving the stock markets to prices double or triple current levels. This of course is theory and will take years to prove and in the shorter run a War, Assassination, or economic collapse will greatly test the masses faith or lack thereof in the safety of government assets. In the stock market I have always told you that if you think the market is going thru 2400 it's always better to wait for a 2420 print and then buy dips than anticipate the breakout and buy at 2380-2390 and get trapped in a 1-2 year bear market starting from that level. The same can be said with this theory of capital flows into the private sector. Wait for the first 'crisis' event and see if stocks correct. The key sign will be how the very strong names trade over the next month. Stocks going straight up like TSLA, FB, GOOG, AMZN and others could be starting legs that will advance 25% to 50% from here, but if they stall out now and come back down thru the prior top, then it's just a typical bear market spike and reversal prior to a major 30%-50% bear market over the next year. **Home Depot** is typical of recent strong names and a case can be made either way- this fractal pattern within the 'squares' may be a new breakout for a year- or a top now and a decline or sideways move for a year.

IBM was a leader this past year, but has since collapsed on bad earnings. The chart had



looked bullish and as it passed the 50% retracement of the bear market and then the Fibonacci 5/8ths level it looked to be a new leader. It still has a chance to hold the key uptrend angle from the low and try and regain the 50% level again but this chart is a lesson to those who think all those straight up breakouts will never reverse. It also shows that big international companies can often stumble on fundamentals and may not be as safe as government assets.

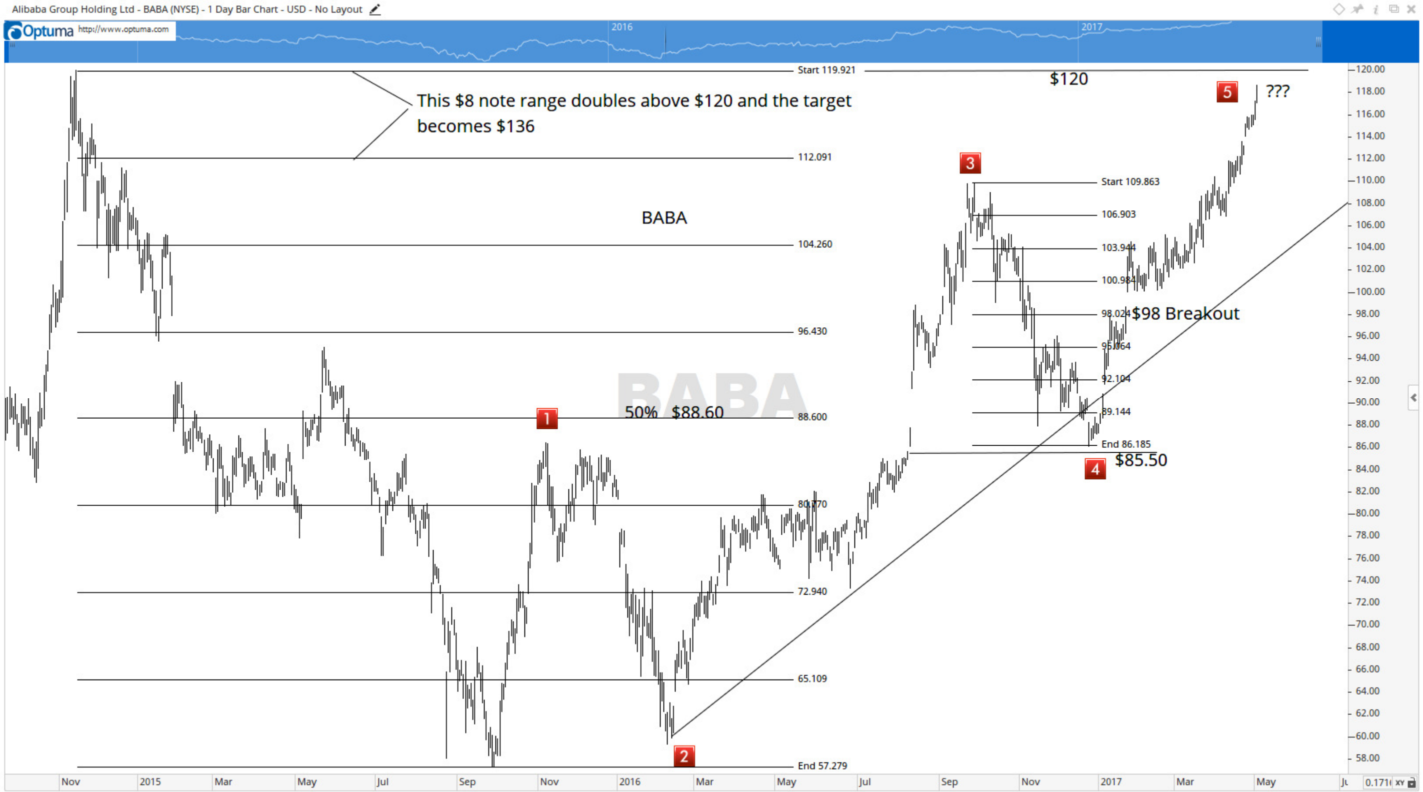
Here's a follow up to my recommendation to buy **MSFT** in the last few issues. It is starting

to accelerate to the upside and should see a big gain. I show it again here as it is a good proxy for the market and there is a possibility that the late 1999 final spike high and collapse is repeating now even with a big run to $81 or $90, so this could be the last shoe to drop.

In a prior issue I mentioned that the big institutions had cornered the float in **TSLA** and when it was $260 I said it would easily blow thru the old historic high going into these big funds' fiscal year end on April 30th. Clearly that game plan worked. Now we need to project an upside target and the first available is $325 right about here. Most market movements have 8 sections playing out an octave and the first note of that octave is either the low bar's height or the first little impulse wave up. I have used that here since this is a big mover and the calculated octave is $325 to take profits (I would not short except for puts because of the float but it could eventually test the old high near $287). Should it exceed the first octave target at $325 the first

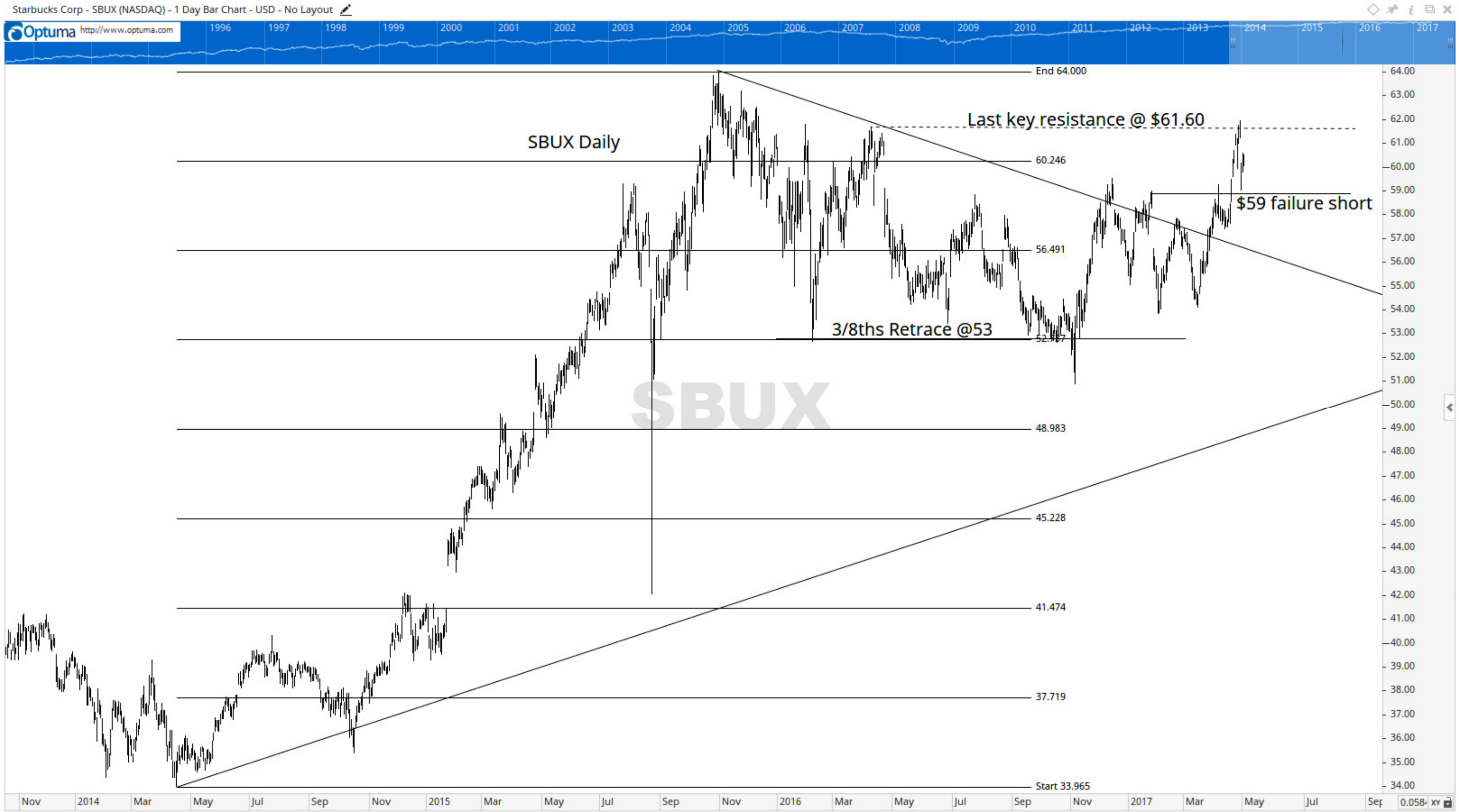
note of the next octave series doubles and will be $361.

My **BABA** projection to terminal 'Wave 5' has been hit but it is so near the ATH of @$119-$120 that it could squeeze right thru and then our octave projection becomes $136 if it doesn't double top right in here and never makes it to $120.



TWTR has come back from the dead and while it's a dangerous stock fundamentally, perhaps Trump has given it a new lease on life. The chart pattern is potentially explosive IF it can get thru $18.50. Then it's $21.60 and $25 and much higher. It looks like a big double bottom but also a foldback that could walk up that big leg down of the entire year 2015. If bullish it should never see $17 again so that's your stop.

SBUX can go either way and will be a good market proxy. The short term pattern is an aggressive higher bottoms bullish one, but there is an 'A' 'B' 'C' bear spike interpretation that



would quickly collapse to the lower trendline near $50, so this will be a key name to watch.

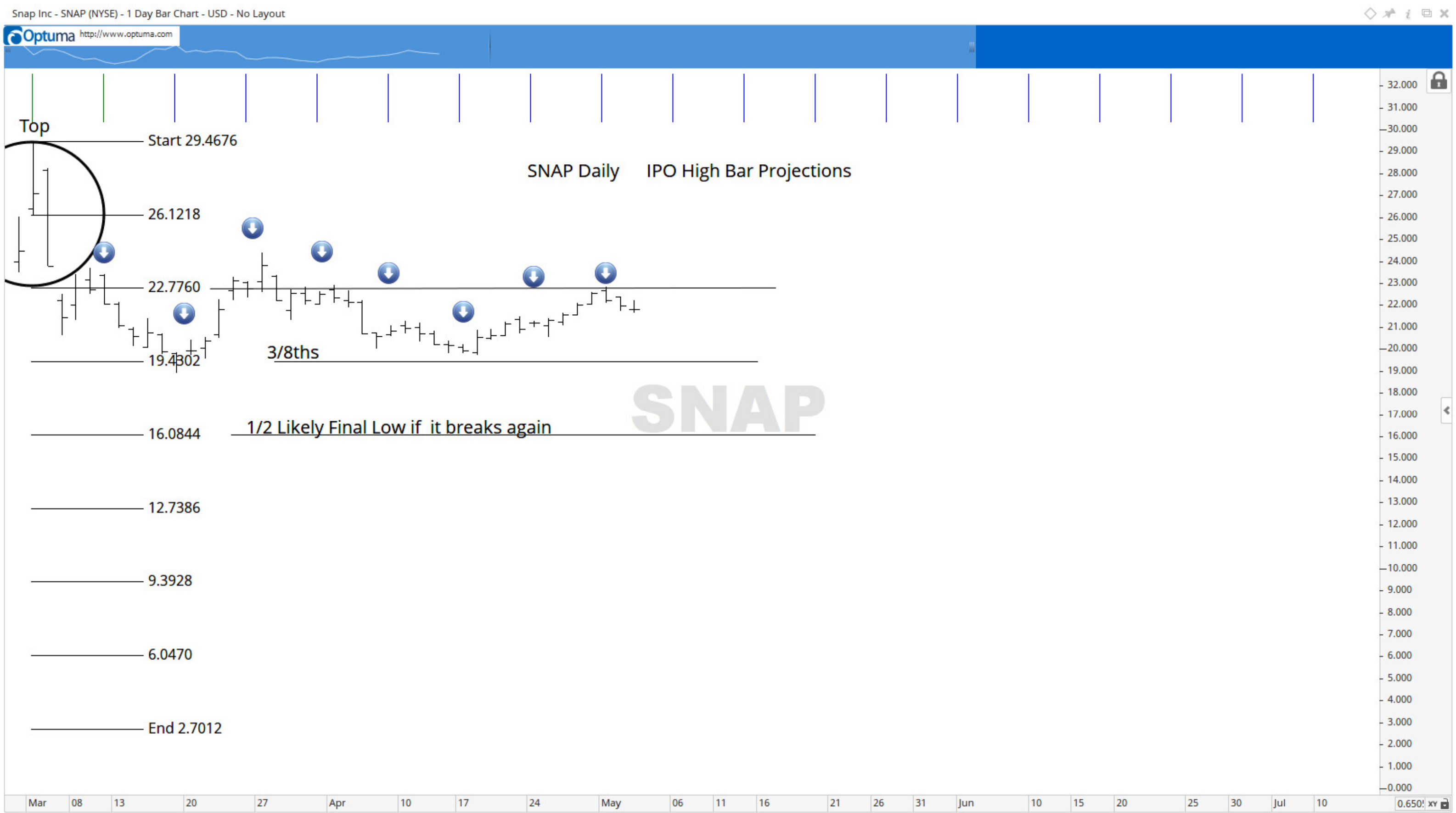
Last year near $7-$9 I recommended **X** and this year I projected it nearing a 5th wave potential top. An earnings miss has collapsed the stock but Trump economics will still save the day and it should be a buy at least for a modest bounce. There is also the foldback potential that

while it is not a bull move it would still be a 30% to 40% trade potential in percentage terms. If the fundamentals turn around it could go back to the top over the next year. Note that the exact top was the 116th anniversary of its birth and right on the Square of Nine Cardinal Cross.

Volatility is back to record lows not seen in decades with total complacency and belief that good things lie ahead for the economy. That's usually when just the opposite occurs and everyone gets trapped 'long and wrong'. The **XIV** is the reverse volatility index and it is stretched about as far as it's ever been. If you look at the recent plunges in October 2014, and August 2015 you can see that it can collapse in a heartbeat. This is because the big institutions use it as a formula buy or sell. They keep buying as volatility drops (the theory is that you can't 'crash' with no volatility) but they sell and keep selling once it reverses and volatility starts to increase. This creates a self fulfilling mechanism that can result in a relentless panic. Note those last two big breaks had a small dramatic drop as a warning and after the recovery the big break took place. We just had that warning plunge and the recovery, so it is now critical and needs to be watched for the big market sell signal.

Traders Tip-Finding All Support & Resistance From the Initial IPO Swing

Long term subscribers may remember this technique that I have demonstrated before that has accurately predicted the exact lows for many stocks. It ties in with the prior exhibits mentioning the 'octave' targets. You can use the very first day IPO bar or in this case of **SNAP**, I used the highest bar which was the second day. In the chart, note the 'DNA' bar of the high where the word 'Top' is just above it. That will usually be a *fundamental unit* and as seminar students know there are a great many things you can do with it, but here we measure the 'height' using a 1/8th ruler type tool and set the height to 1/8th of this ruler. We see that the first low was an exact 3 bars or 3/8ths correction ($19.48) but the rally failed at the 1/4 resistance so if it breaks big again it could go to a likely final low near $16. Above the 1/4th $22.77 level it can go up and take out the high. Those are your support and resistance, and the time cycles are now found by turning the DNA top bar on its side- usually the easiest way is to use a circle where the radius is the height of the bar so the horizontal radius and end point of the circle will measure the time cycle. I then used a cycle type tool along the top of the chart extending these units and I put 'arrow' markers where each of these time cycles ran out. Note that they were quite accurate and several were 'time AND price' projections. This technique can be use on any time frame and should be incorporated into your basic trading plans.



Since this year is 2017 we must ever be aware of the '7' last digit anniversary years since a great many have been huge financial panics in U.S. History. Here are just a few: 1837, 1857, 1877,1887,1897, 1907, 1917, 1937 etc. These were mostly **May** or **November** highs or lows so the current 'over valued' market is dangerous as these usually start innocently enough and then get out of control as some bad news item hits. We have plenty of potential bad news items around so watch for them and see how the market immediately reacts when they hit the tape, and you must then act fast as the market is set up for a accident. Remember the 'three bar rule' that at a *minimum* any break of a time frame low bar (i.e. daily, weekly, monthly) will result in a trend that goes at least 3 units of time and then extended by the Fib series of 3, 5, 8, etc. Since we have been in such a 'flat' trading range any break of a weekly low will likely break a monthly and possibly a quarterly low so it would bring in massive sellers getting out for at least 3-5 months. That's why you must be observant and act very fast if it happens. Everybody else is trading computer algos so they will respond faster than you but don't be the last man out because there won't be a door left to close.

The **hourly S&P** chart is either a false breakout with a collapse just ahead or if it goes up again to a new high it might verify a legitimate breakout leg to 2440 to 2500. Note that many of the recent highs over the past year were 'gap' up moves that failed to follow thru. That's usually short squeezes and not indicative of bulls rushing to get in with long term investments. Patience is needed now until we clearly and significantly exceed this 2380 to 2400 trading band, since that 3.60 x 666 = 2397 top could be the final one.

Summary

This year May is a big cycle turn month. Some were lows like 1987 but late in the month for the low, while others like the panic in 1837 and others were tops in the first or second week. Remember the Trump rally started at the end of the first week in November so a 6 *month final blow off top would be the end of the first week in May 2017*. Be patient and go with the flow with tight stops.

The following stocks have cyclic turns during the next three weeks

JPM 05/08	PG 05/08	JNJ 05/08	AAPL 05/08	CAT 05/08	BAC 05/08	GS 05/09	IBM 05/09	GOOG 05/09	DD 05/10
MCD 05/10	SBUX 05/10	AMZN 05/10	BA 05/11	DIS 05/11	VLO 05/11	AMD 05/11	XOM 05/12	HD 05/12	GE 05/12
UNH 05/12	CSCO 05/12	BIDU 05/12	WDC 05/12	X 05/15	TSLA 05/15	INTC 05/16	SNAP 05/17	NKE 05/18	AXP 05/18
FB 05/18	BABA 05/19	MMM 05/24	WMT 05/24	CVX 05/25	UTX 05/25	MSFT 05/26	HAL 05/26	NFLX 05/26	

May Activity Calendar

DATE	UP /DOWN DAY	DAILY	WEEKLY	HOURLY
8	D	*		3
9	U			2
10	U			3
11	D			2
12	U	*	*	10
15	D			10
16	D	*		3
17	U			2
18	U			12
19	D	*	*	10
22	D			10
23	U			2
24	U			3
25	D	*		12
26	U			3

Notes: U means up day, D means down day. Trend changes indicated by the * will generally be more accurate than the frequent U/D day indications and will usually trend in the same direction until the next *. Hourly turns are given in local New York City (Eastern) times, i.e.10=10 AM EDT

see my **YouTube** video:
http://www.youb tube.com/watch?v=a6eoz7teIVs

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My new book:

Gann Astro Vol III - Advanced Astrology - Horoscopes and Trading Methods,

has received numerous favorable reviews by early purchasers and is now available to buyers of at least Volume I. Email me for details as it is not on the website as yet as I have been swamped with orders from existing purchasers of prior volumes who claim this is my greatest book by far.