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STOCK CYCLES FORECAST

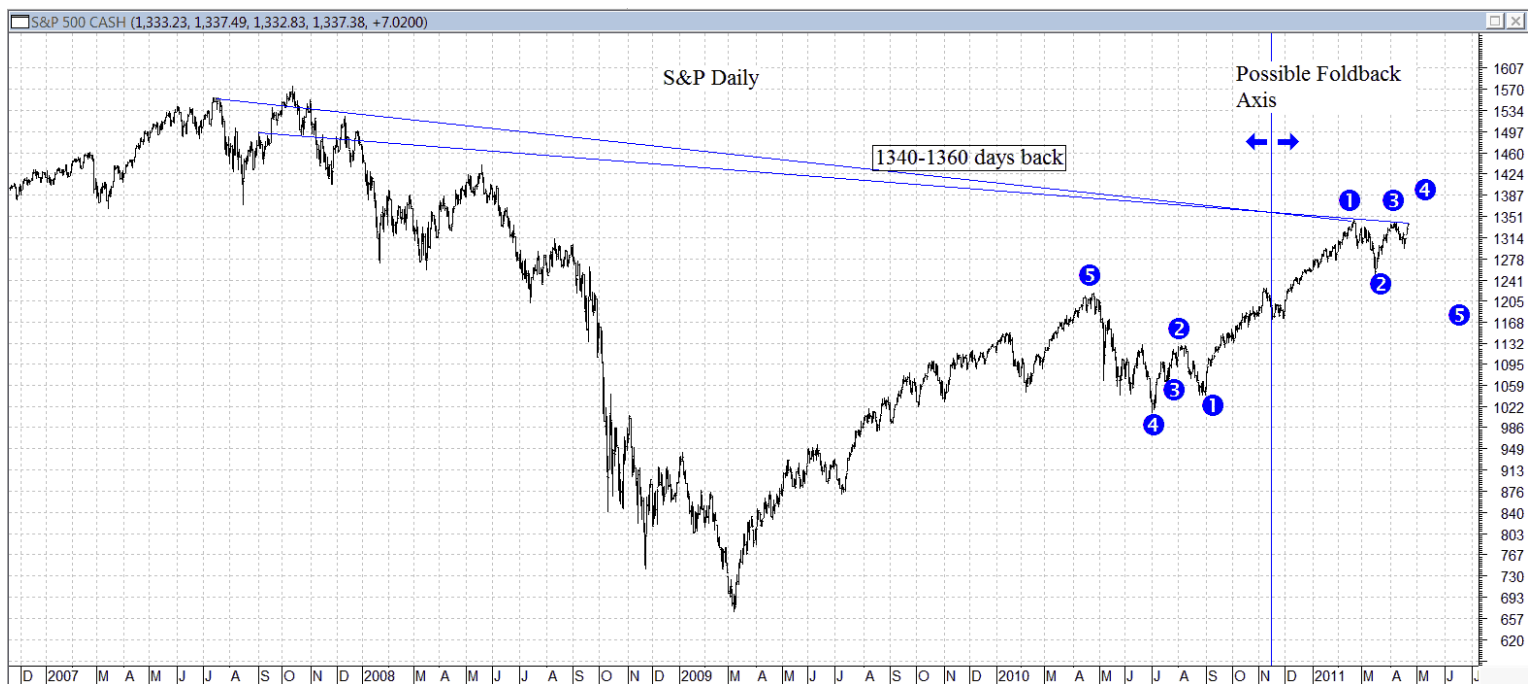
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Dow 12,480

Culmination Run: April 29-May 13

The last bull run is now underway and most secular bear markets in history rarely go past two, to two and a quarter years before resuming their downtrends. Many cycles suggest the last week of April to the first week of May as the end, or at least the start of a three month intermediate term decline of 20 + per cent. The chart below shows the two recent tops on the S&P pointing backwards in calendar days to the 2007 tops, and a 'foldback' from the November midpoint suggest the typical top being a mirror of the bottom in wave structure.



While many believe that long term bull markets just arise out of a very bad bear market decline, within the framework of a very long (19 year) Secular Bear Market, the historical precedents are that the legs of the cyclic bull phase rallies rarely go past two years or a little more. Certainly the Middle East turmoil, currency instability, and the ever present fears of a Greece, Portugal, Ireland... collapse is more symptomatic of an ongoing long term bearish environment than a new secular bull run. In any event strategy is to assume the worst at the end of the current rally and be out on any swing low violation like 1270, but the early warnings

would be failures at or return below the February top area of 1330-1340. Also note the nice quarterly harmonics of a November top, February top and now May along with the hugely significant May 2008 top being three years back when oil was last in the giant spike phase.

Support and resistance is always important but the 'patterns' of time repeat with similar cycles so our basic analysis should be to incorporate past cycles that may be similar. Below are many common years that usually have some repeating characteristics each year. Note the 7 year tops in March and April with August low, but most all others top in May and go down to August and later. This is a big warning so watch the old leaders for failure to lead any further on the upside.

Common Repeat Cycles

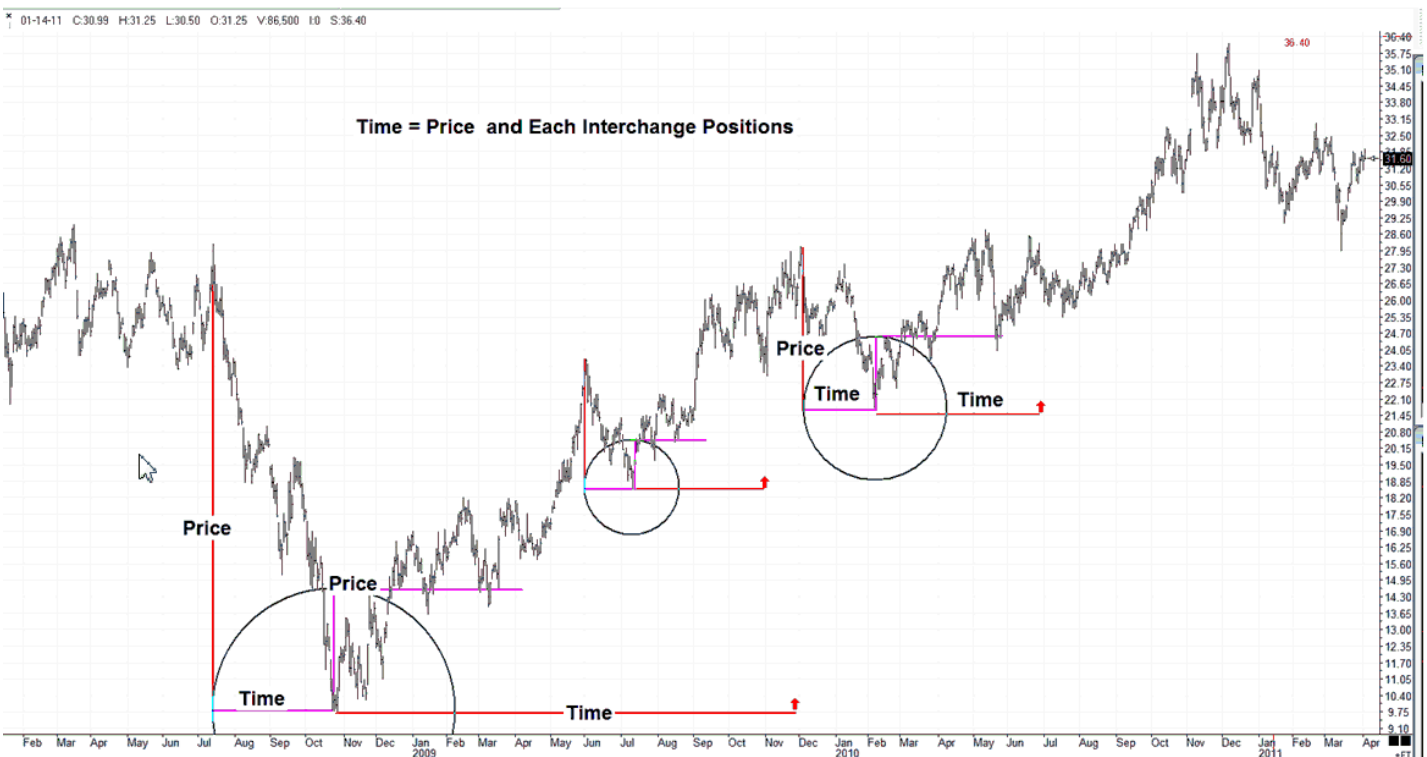
- 120 years 2011 = 1891 High: May, Sept Low: Aug
- 100 years 2011 = 1911 High: June, Low: Sept
- 60 years 2011 = 1951 High: May, Sept Low: July
- 20 years 2011 = 1991 High: June Oct Low: Dec
- 10 years 2011 = 2001 High: May Low: '9/11'
- 7 years 2011 = 2004 High: Mar/Apr Low: Aug
- 6 years 2011 = 2005 High: Aug Low: Apr, Oct
- 4 years 2011 = 2007 High: July, Oct Low: Aug
- 1year 2011 = 2010 High: Apr Low July

Of all these cycles only the 1949 low (60 year) that corresponded with our March 2009 low was a long term secular bull run but still had a February top and early May 1951 top with a significant decline for a couple of months. All the others were much more bearish patterns and the composite of them all would indicate two years of declining markets once this run ends. The other 'exception' to the very bearish cycles was the unusual bounce from the 1973-1974 decline to the 1976 top that came all the way back before drifting down for another five years. That did take place within the framework of a secular bear that lasted from 1966 to 1982 so the double top high in 1976 would not negate an institutional stampede to 1500 again on favorable labor market news or something and still be in a long term secular bear trend. Strategy must therefore emphasize breaks of swing lows to confirm bearishness.

Trader's Tip: The Time Conversion Bar: TCB

In my 'Basic Day Trading' book I introduced the world to my discovery of the 'Time Conversion Bar' or TCB, as a simple but very effective way to scale a chart so the time and price components of any chart can yield its unique support and resistance. You see, to make a market reversal you need BOTH a harmonic meeting of the time and the price so there is a one to one relationship, or a strong proportional relationship of time to price. In theory on a perfectly scaled chart the units of price would always be equal to an equal number of time units at every high or low. We can't scale charts that way but if we assume that the time period of a low to a high is equal to a price 'bar' or time unit, then we can invert the horizontal time distance into a vertical measurement and get a 'price' unit that will harmonize with the chart. The way to do this is to take every horizontal time measurement and turn that distance 'vertical' while at the same time taking all vertical price drops or rallies and turning them sideways to get a 'time' measured unit. The quickest way to do this on a chart is to draw a circle around the time length or price movement since the radius of a circle is equal at all points and we can then take that radius measurement and turn it 90 degrees. This is shown in the chart below which I demonstrated to the public in Milan at my recent seminar.

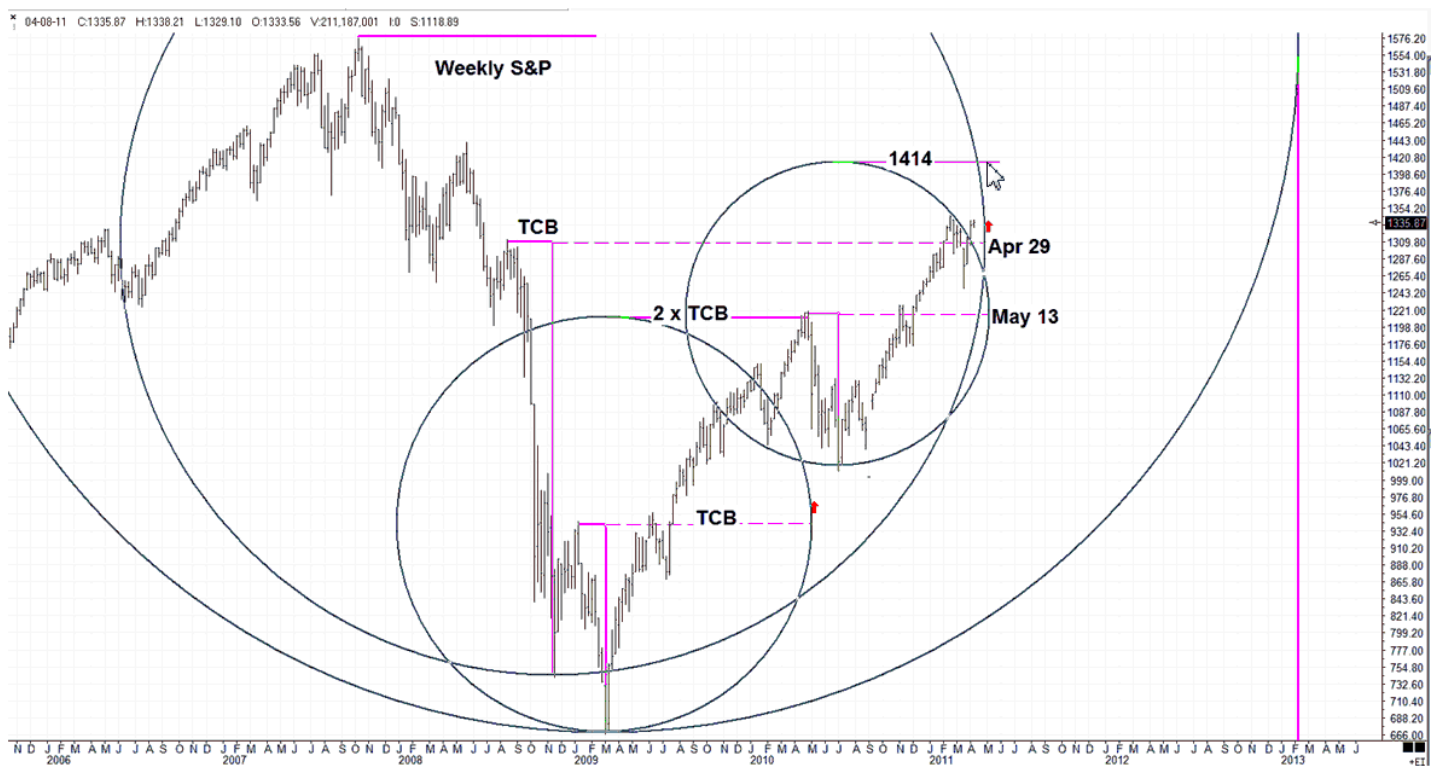
Interchangeability – The TCB-'Time Conversion Bar'



In this chart above, each price drop is turned 'sideways' into 'time' and placed at the subsequent low as a starting point, and each horizontal time distance from a low to high or high to low is flipped 'vertical' to turn it into a 'price' bar. Note that that the end of the price flipped bars, the cycle tops or bottoms came out and at the ends of the vertical flipped price bars we

find support and resistance. If you do this in sequence for all swings you will usually get a 'final' common dominator of several cycles all coming out at the same time and often the same price levels. This is seen in the next chart which summarizes my current view on the S&P looking for a big top from the April 29th to May 13th time period and prices perhaps as high as 1372 or 1414. Note that after those arc breakdowns, the market would not find support until they hit the big lower circle from the all time high to all time low which extends out into 2013 but only provides support at the 1050 level or lower for the next year. Curiously a 'foldback' to July 2007 (being the current top) to the March 2007 low is almost the identical measured move from our current arc side to the lower 'big' one of support so that may be the size of the coming correction. Note that the circle that goes 'vertical' near April 29th is that very connecting link to the February / March 2007 time period.

S&P TCB's

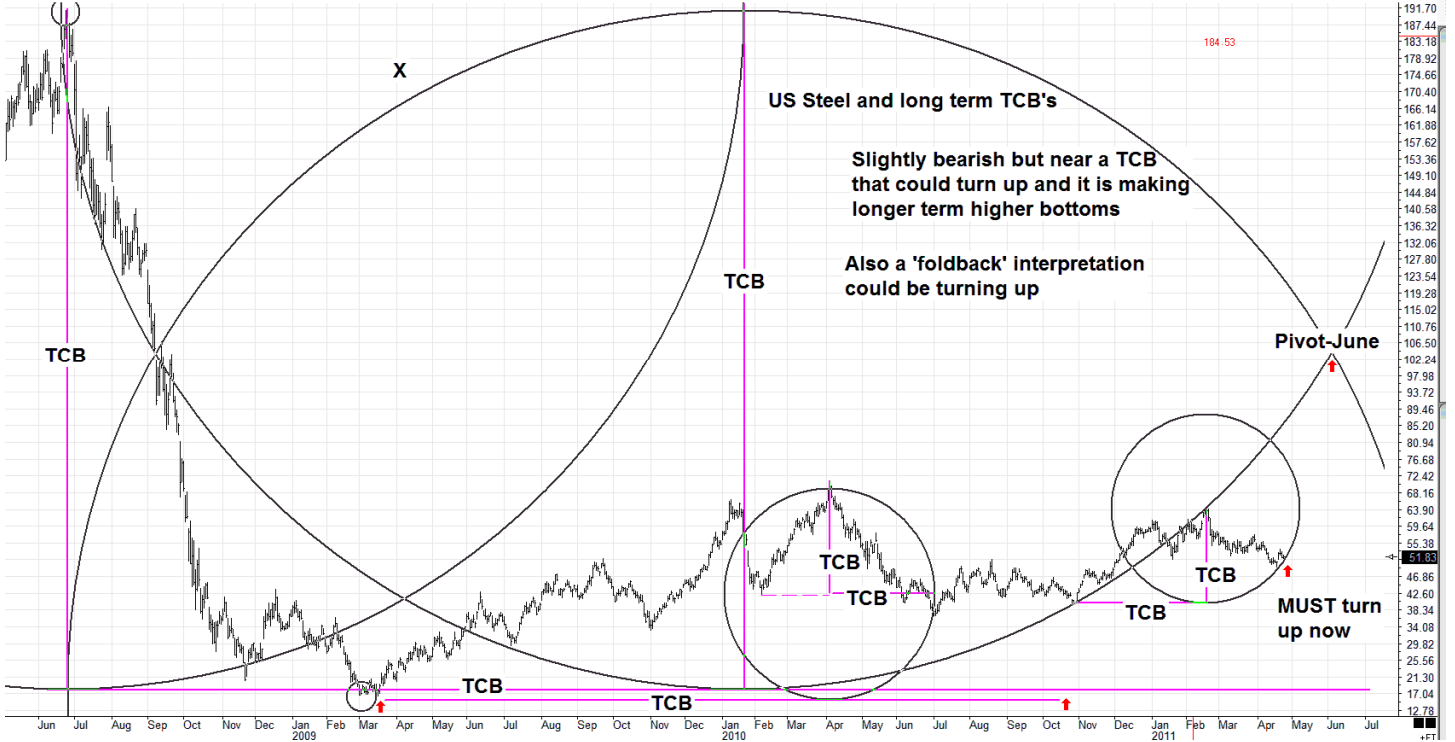


Also note that the 'escape' from the arc in March 2010 led to a last leg to April 2010 which stopped exactly at the top of the circle and at the 3 o'clock position of culmination on the circle. Our current circle looks identical so it could in theory go to that 1414 top BUT the vertical arc section is just ahead so as time runs out, if there is no momentum to prices they could top at any level.

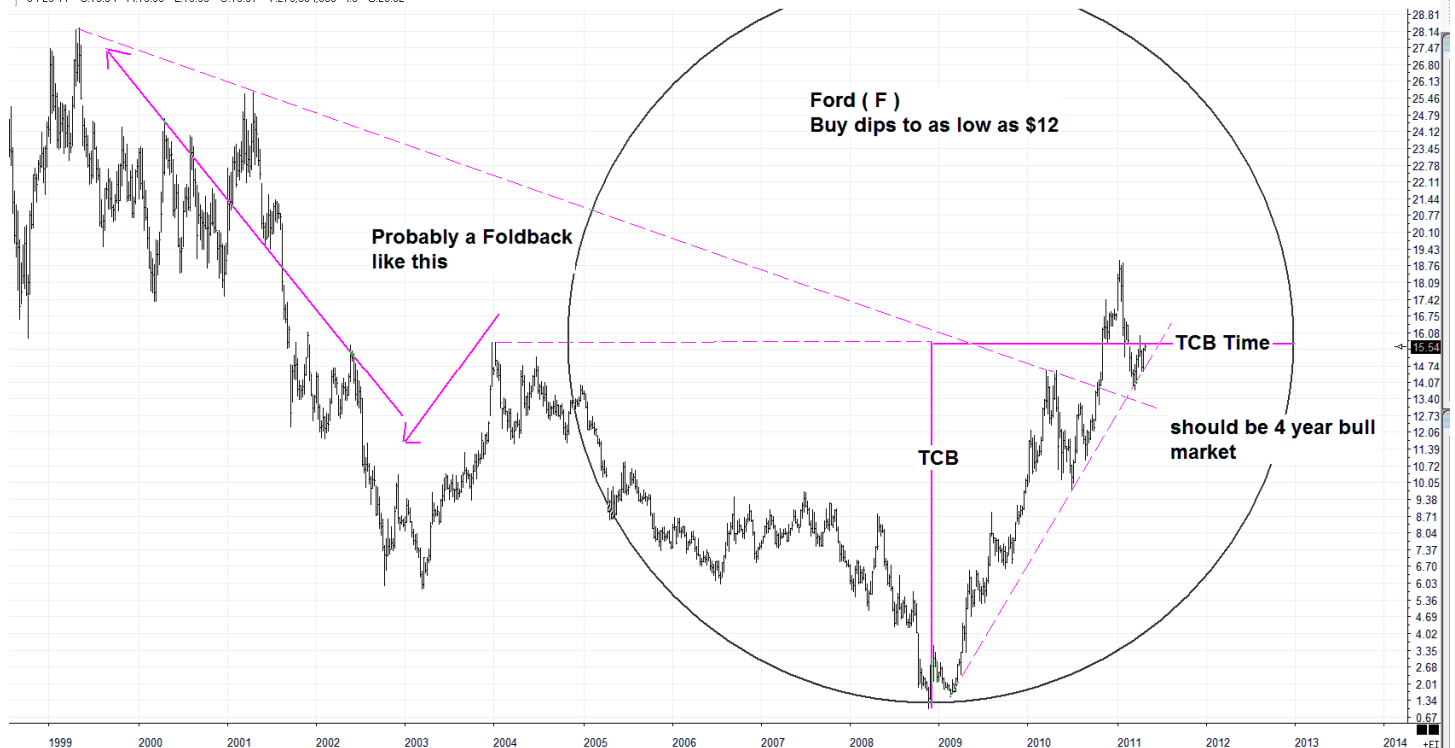
Below is a TCB approach to **Oil**. The first correction gives rise to a TCB bar in time near August and an upper price range of 117 to 122.36. That pattern also 'looks like' a nice 'A' 'B' 'C' upward correction within a longer term downtrend after the 2008 top.



Gold has a series of 'doubling' patterns since the 1999 low and we are in the last section with a final top of 1672 projected BUT now at the strongest 50% resistance within that last section. This is near 1497 give or take and the only support is 1410 and 1322.



US Steel is a basic industry and a key name for any global recovery. It's spent the last two years in a rather flat base and is declining to a potential higher bottom if it holds here at the edge of the TCB circle from the last low to high leg. A major intersection in June of the large TCB's shows a resolution- either the last low, or a big rally now towards that area and then back down. Since this stock is so cyclical and also housing related it's a good name to watch.



Ford, above, is another cyclical and this is one of the better acting cyclicals but the auto industry is still suspect until the labor market shows strong month over month employment gains. Even so this chart suggests a multiyear advance and Ford is now at the pivot and could



see further consolidation but dips can be bought with stops for price targets well into the twenties.

The **Euro**, above is also at major resistance from 1.45 to 1.47 and like gold and oil will probably top before starting a last leg to 1.67 late this year or next. Everyone is bearish on the Dollar but sometimes the masses are trapped at the top and this is a 5 wave up pattern which could easily see an 'A' 'B' 'C' downward correction to 1.38 to 1.31.

Cyclic curiosity: This letter is only the second one late by a few days in the entire 26 years I have been publishing it. The other time was EXACTLY 20 years less 45 days ago, on my honeymoon with my wife where we visited the exact same cities in Italy (!)?!

The following stocks have cyclic turns during the next three weeks.

POT	FCX	MMM	CSCO	PG	GE	\$DXY	AXP	CAT	EK
4/26	4/26	4/26	4/26	4/26	4/26	4/27	4/27	4/27	4/27
APA	ASA	FLSR	UTX	GM	TXN	PFE	PEP	MCD	NEM
4/27	4/27	4/27	4/27	4/29	4/29	4/29	5/02	5/02	5/02
MSFT	RIMM	BA	ADBE	MRK	DNDN	MA	MSFT	INTC	CSCO
5/02	5/02	5/02	5/03	5/04	5/05	5/05	5/06	5/09	5/09
HD	CAT	RIMM	AA	CVX	GS	MSFT	DIS	GOOG	
5/09	5/13	5/13	5/13	5/13	5/13	5/13	5/13	5/13	

The new **Trading Video** is out and runs six hours and 32 minutes and is an effort to teach *anyone* to trade. The cost is \$900 and is a cheap tuition for your son or daughter or spouse, or even a pro who wants to learn something long overlooked. You can watch a free 10 minute sample on my website or go directly to this link <http://www.stockcyclesforecast.net/scfArchiveMovie.htm> just scroll to the bottom of the table of contents and click on the video. Even if you aren't planning on a purchase you will pick up valuable tips in this 'freebie'.

April / May Activity Calendar

DATE	UP /DOWN DAY	DAILY	WEEKLY	HOURLY
26	U			2
27	U	*		3
28	D			10
29	D			1
May 2	U	*	*	10
3	U			12
4	D			2
5	U			11
6	U	*		10
9	U			11
10	U			11
11	U	*	*	11
12	U			2
13	D			12

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.

Summary

The market has doubled and most markets in history top at that point. Many big cycles this year top in March and April but many more in May with big lows in August and September so it looks like a three month correction of 20% coming up very soon. Likely dates are April 29th and May 13th. Prices are 1372 and 1414 with a breakdown below 1321 going all the way down to 1168 and eventually 1040.

On the website: for \$20 US, (or \$30 Non US), you can order my MTA video presentation and slides..it's the best buy of your life!!!

Stock Cycles Forecast voicemail telephone number is (212) 866-2934, but I rarely answer phone messages. To get a quick response it is better to use email at: mjenkins@Stockcyclesforecast.com , or Mikecyc@aol.com. Let me know if you can get email delivery of the newsletter as it is at least two to three days faster than regular mail. **Stock Cycles Forecast** is published approximately every three weeks. Annual subscriptions to the newsletter including the nightly telephone update are \$500, a six month subscription is \$265. One-year subscriptions without the telephone service are \$300, and a two-issue trial is \$50. Mr. Jenkins books and course: *The Geometry Of Stock Market Profits* (\$50), *Chart Reading For Professional Traders* (\$75), *The Secret Science of the Stock Market* (\$135), *Basic Day Trading Techniques* (**\$125**) as well as *The Michael S. Jenkins Complete Stock Market Trading and Forecasting Course* (\$529 US \$550 Foreign), and *Secret Angle Method* (\$500), and *Michael S. Jenkins Trading Video* (\$900) are available for purchase by check mailed to: **Stock Cycles Forecast, P.O. Box 652, New York, N.Y. 10025-9998. PayPal is also accepted on the web** (www.paypal.com) by 'sending money' to mjenkins@stockcyclesforecast.com. The information and statistics as well as the original theoretical concepts utilized in this report are presented solely on the basis of the writer's interpretation of such factors and may not reflect specific knowledge or fundamental analysis of any of the companies mentioned. Any opinions expressed are subject to change without notice. Neither the information nor any opinion-expressed herein constitutes a representation or solicitation for the purchase or sale of any security. From time to time the publisher, his associates or members of his family may have a position in the securities mentioned in this report.