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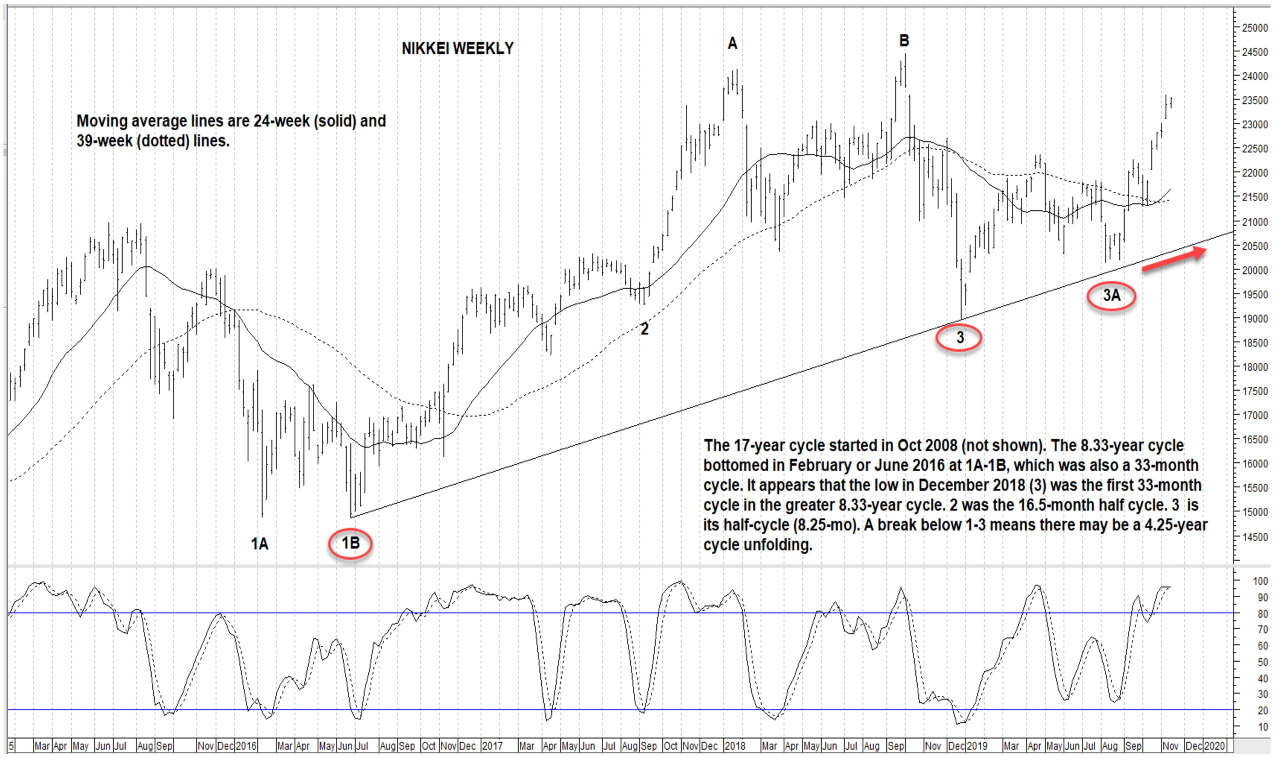
NIKKEI CLIMBS TO NEW YEARLY HIGH

Since our last report last month, the Nikkei rallied to a new cycle high of 23,591 on Friday, November 8, one day before the middle of the Mercury retrograde cycle. This was its highest mark in a year, and nearing its 27-year high at 24,448 recorded on October 2, 2018. As stated last month, *"The Nikkei is now testing the 22,255 high of the first major cycle crest. If this is a three-phase primary cycle pattern and it can close above 22,255, then the price target for the crest of this second major cycle becomes 23,421 +/- 391… For now, the market looks more bullish than bearish. The daily chart shows a sharply rising 15-day slow stochastic, indicating the Nikkei can go higher. However, we need to watch for a possible case of bearish oscillator divergence on this rally, where the Nikkei takes out 22,255, but the stochastic oscillator does not make a new high for this cycle. Be especially alert to this type of (bearish) oscillator divergence signal happening nearby to a geocosmic critical reversal date (CRD) period."* The high of November 8 was within three trading days of the November 5 one-star CRD, within one day of Mercury's retrograde midpoint, and occurred under a lower stochastic level, thus creating a case of bearish oscillator divergence. However, it has not yet declined enough to indicate November 8 was the major cycle crest.

Longer-Term Cycles

The new yearly high supports the idea the low of December 26,2018 at 21,712 was a 33-month cycle trough, which furthermore supports the idea that the longer-term 8.33-year cycle will be a classical three-phase pattern, consisting of three 33-month cycle phases, and not two phases of 4.17-years each. However, if the Nikkei starts to decline below the trendline 1B-3 shown on the weekly chart, then the 4.17-year cycle is back in play. It's low would be due in the spring of 2020.

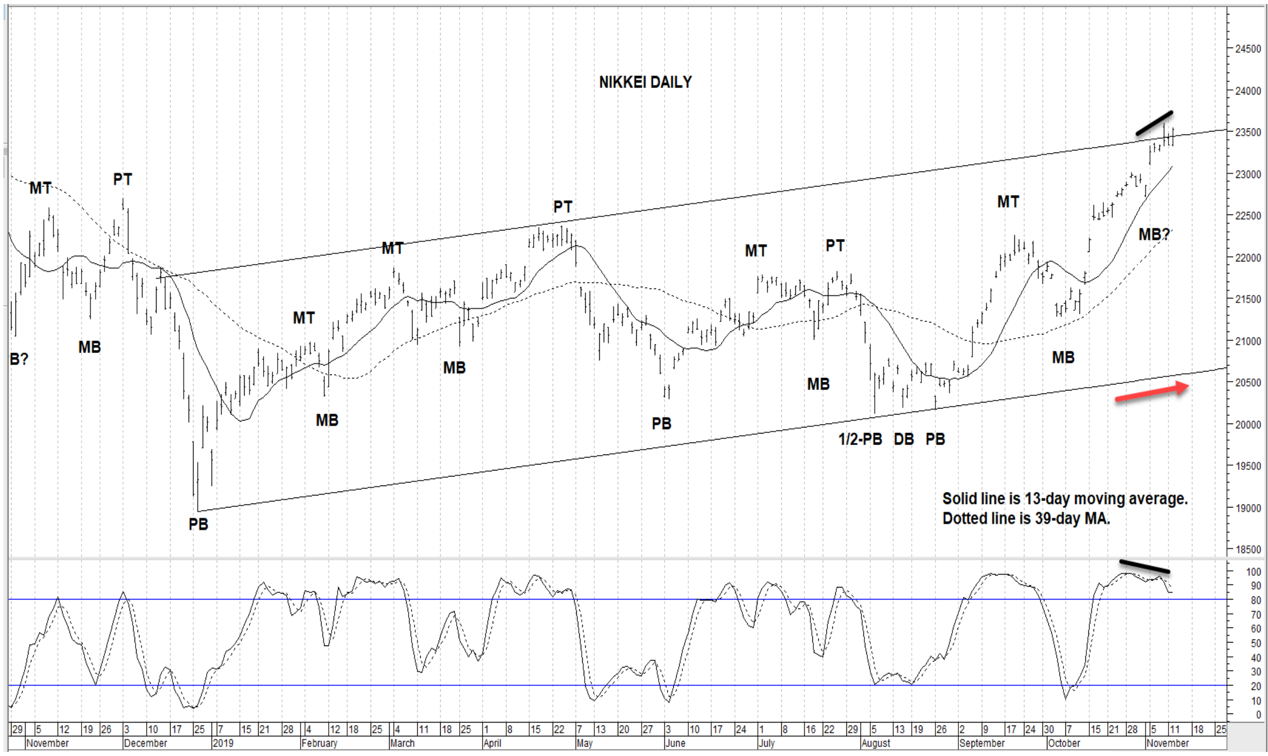
As stated last month, *"The key will be the 16.5-month cycle. In a 4.17-year cycle, there can be three of these 16.5-month cycle phases. In a 33-month cycle, there are two. The low of December 2018 was the end of the second 16.5-month cycle. If it (December 26, 2018) was also the end of the 33-month cycle, then October starts the 10th month of a new 33-month cycle. The pattern in that labeling is still bullish, and the Nikkei would be expected to retest or even take out the 24,000 mark in this current 33-month cycle. If it can exceed 25,000, then the upside price projection for the current 33-month cycle would be 28,532 +/- 1613. However, if there is going to be a 4.17-year half cycle (to the 8.33-year cycle), then new multi-year highs are unlikely. In that case, this is the third 16.5-year cycle phase within the 4.17-year cycle. Third phases of a cycle are the most bearish if the cycle has been bullish (this one has been bullish). A break below 1B - 3 strongly suggests the high is in, and sharp decline is underway. On that decline, the Nikkei could fall back and re-test the low of the prior 16.5-month cycle, which is 18,948, back on December 26, 2018."*



Thus, we need to closely monitor the 16.5-month cycle. This 16.5-month cycle is due to bottom May 2020 +/- 3 months. If that low is only a correction of the rally that started December 26, 2018, then there will be no 4.17-year half-cycle trough to the greater 8.33-year cycle. The 8.33-year cycle will indeed be a classical three-phase pattern of 33-month cycle phases. But if there is to be a 4.17-year cycle, then the decline to the next 16.5-month cycle will mark its ending, and the decline will be fierce. In that event, the decline could retest the 18,948 low of December 2018. The Nikkei would break below the upward trendline 1B-3 shown on the weekly chart.

It's too early to tell for certain which 8.33-year cycle pattern will be operative – the three-phase (bullish) or two-phase (bearish). Previously we gave more weight to the two-phase (bearish), based on the idea that the Nikkei was completing its long-term cycle high (or re-test) with Jupiter in Sagittarius. But upon a further study of that planetary combination's history, as reported in the section on the Dow Jones Industrial Average, we see that the study only measures the *rate of increase*, and not necessarily the final and absolute cycle crest. In half of the cases since 1900, the DJIA did top out when Jupiter was in Sagittarius. But in the other half of the cases, it topped out sometime in the first 20° of Capricorn, which remains in effect until late October 2020. The rally doesn't usually go right until the end of the planetary time band, but it can (two of the ten cases did). Thus, the time frame for longer-term cycle crest based on Jupiter in Sagittarius doesn't end in the next few weeks, although it could (50% probability). It can end anytime between now and October 2020. We will use our technical and chart pattern studies to guide us through this period.

For now, our focus will be upon identifying the crest of the current 16.5-month cycle. November starts the 11th month of that cycle, so it is already in its later stages. The fact that it is past the midpoint of the cycle means it will exhibit a "bullish right translation pattern." This alone supports the idea that there may not be a 4.17-year cycle low. It suggests that the decline into the 16.5-month cycle low, due May 2020 +/- 3 months, will be a correction of the move up from the low in December 2018. It indicates the dominant cycle at the December 2018 low was the 33-month cycle. Therefore, on the low of the 16.5-month cycle around May 2020, the second half of the 33-month cycle will begin. That will start the second 16.5-month cycle phase within the greater 33-month cycle. That is the cycle I think could be very bearish, for it will be due to end with the 33-month cycle in September 2021 +/- 6 months, right during the Saturn/Uranus waning square aspect.



The Primary Cycle

November 11 begins the 11th week of the 12-20 week primary cycle following the triple bottom low of 20,173 on August 26. It also starts the 6th week of the second 4-7 week major cycle, which began with the low of 21,276 on October 4. We are already in the time and price range for the crest of this second major cycle, which could have been the high of 23,591 on November 8. If so, a decline to the major cycle low is underway now, and due this week or next. A normal corrective decline would be back to 22,433 +/- 273. Following that, another rally would commence that may or may not be a new cycle high (a double top often happens). Then a 2-5 week decline to the primary cycle low is due to commence.

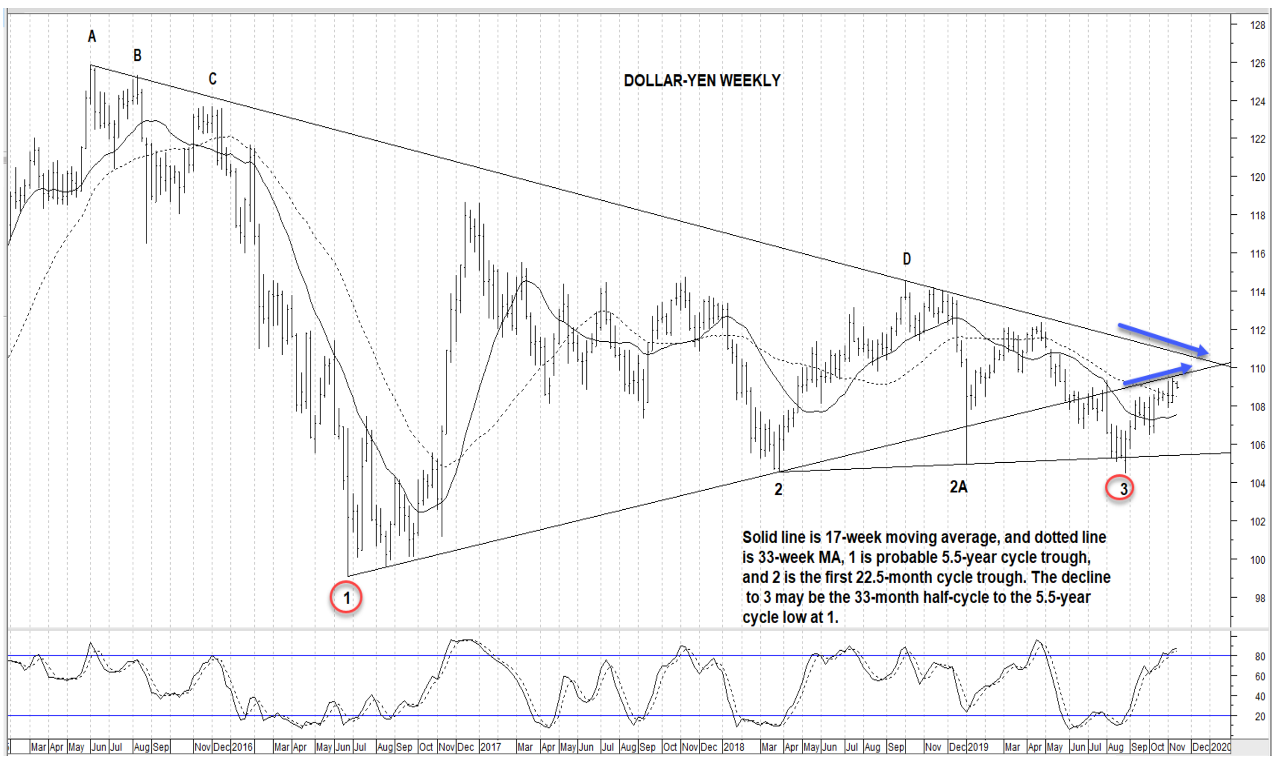
There is an alternate labeling for this primary cycle. That is, the 4-7 week major cycle low may have happened on November 1 when prices fell to 22,705, which was close to the 13-day moving average and represents a minimum criterion for a major cycle low. If that is the case, then November 11 starts the 2nd week of the final 4-7 week major cycle phase. A top is due at any time, to be followed by a sharp 2-5 week decline to the final primary cycle low, ideally due within the next 5 weeks. If the high of November 8 was the primary cycle crest, then the 2-5 week decline has started, and the price target would be 21,882, +/- 403. If the primary cycle is still ahead in this labeling, the upside price target is 24,437 +/- 373, or 24,496 +/- 518. Watch the November 22-25 and December 11-12 CRD zones for reversals. If either coincides with a high in one of these ranges, it may be the primary cycle crest and time to take some profits. If either date coincides with a low, it may be the end of the primary cycle and time to buy.

Strategy: Position traders are long and were advised, "You may cover 1/3 for profits if prices stall around 22,255 +/- 100, or if making a new cycle high around any of the next three CRD zones. Our idea is to hold *until the November 24 or December 11-12 CRD periods." On any new cycle highs then, look to take profits on another 1/3. On a 2-5 week decline to a primary cycle trough into either of those CRDs, look to go long.*

Aggressive traders are long and were advised, "You may cover 1/3 for profits if prices stall around 22,255 +/- 100, and another 1/3 if making a new cycle high around any of the next three CRD zones. Our idea is to hold some longs until the November 24 or December 11-12 CRD periods, and then sell short." The high so far has been 23,591 on November 8, which was within three trading days of our November 5, one-star, CRD. If a new primary cycle crest is unfolding around the December 11-12 CRD zone, look to cover all longs and sell short.

U.S. DOLLAR/YEN MAKES NEE CYCLE HIGH

The Dollar/Yen has continued rising to new cycle highs off the long-term cycle low of 104.44 on August 26. On Thursday, November 7, the high (so far) was achieved at 109.48. As stated before, *"Following its primary and possible 33-month cycle low on August 26 at 104.44, its lowest level since November 9, 2016, the Dollar/Yen is rallying to new cycle highs as we write. It is now testing the 109 level, a mark not seen since August 1…. As long as this currency holds above 105, our bias is bullish. Given that this is a new primary cycle, it favors that bullish outlook."* However, the Dollar/Yen is nearing critical price points that may determine the longer-term cycle trend.



The weekly chart shows the Dollar/Yen moving closer to the downward trendline of A-B-D, which comes in at 110.75-111.00 this month. As stated last month, *"A break above that strongly suggests that the low of August 26 was the end to the longer-term 33-month cycle, the half-cycle of the 5.5-year cycle that started in June 2016 at 99.08 when Brexit was passed by UK voters. If that is the case, then the Dollar will likely continue to rally for several weeks, even months. But can it exceed the high of the first 33-month cycle, which was 118.66 in December 2016? If it does, this becomes a bullish 5.5-year cycle. I am doubtful it will do that because the high in December 2016 created a bearish "left translation" pattern for the first 33-month half cycle. Thus, my bias is that this 33-month cycle will also exhibit a bearish left translation* *pattern. If so, the price target for the crest of this newer 33-month cycle is 110.84-116.53, and it will do this before the 16th month of this cycle (i.e. before the end of February 2021)."*

We also pointed out that *"… in June 2020, the Moon's North Node will pass out of Cancer and into Gemini. That is the summer solstice point (0° Cancer). Currency markets often make long-term cycle lows or highs within 9 months of such a passage, which happens every 4.5 years. Since the low of August was 10 months before this passage, we anticipate that the reversal will be from a long-term cycle crest that occurs closer to June 2020."* Thus, the longer-term cycle (longer than the 33-month cycle) still seems bearish after the 33-month cycle trough of August 26 at 104.44. The Dollar/Yen still seems likely to break above line A-B-D. But at this point, it is unclear if can rally much above 112.50-115.

Shorter-term, November 11 starts the 11th week of the 26-40 week primary cycle off the low of August 26 at 104.44. I have marked the low of November 1 at 107.87 as the first 9-14 week major cycle trough, as it occurred in the 9th week and broke below the 28-day moving average. If correct, this also begins the second week of the second 9-14 week major cycle, and the upside price target is 112.71 +/- .98. This would break the a daily downward trendline, which shows up at 110.25 this week (the weekly chart shows this line even higher, at 110.75-111.00).

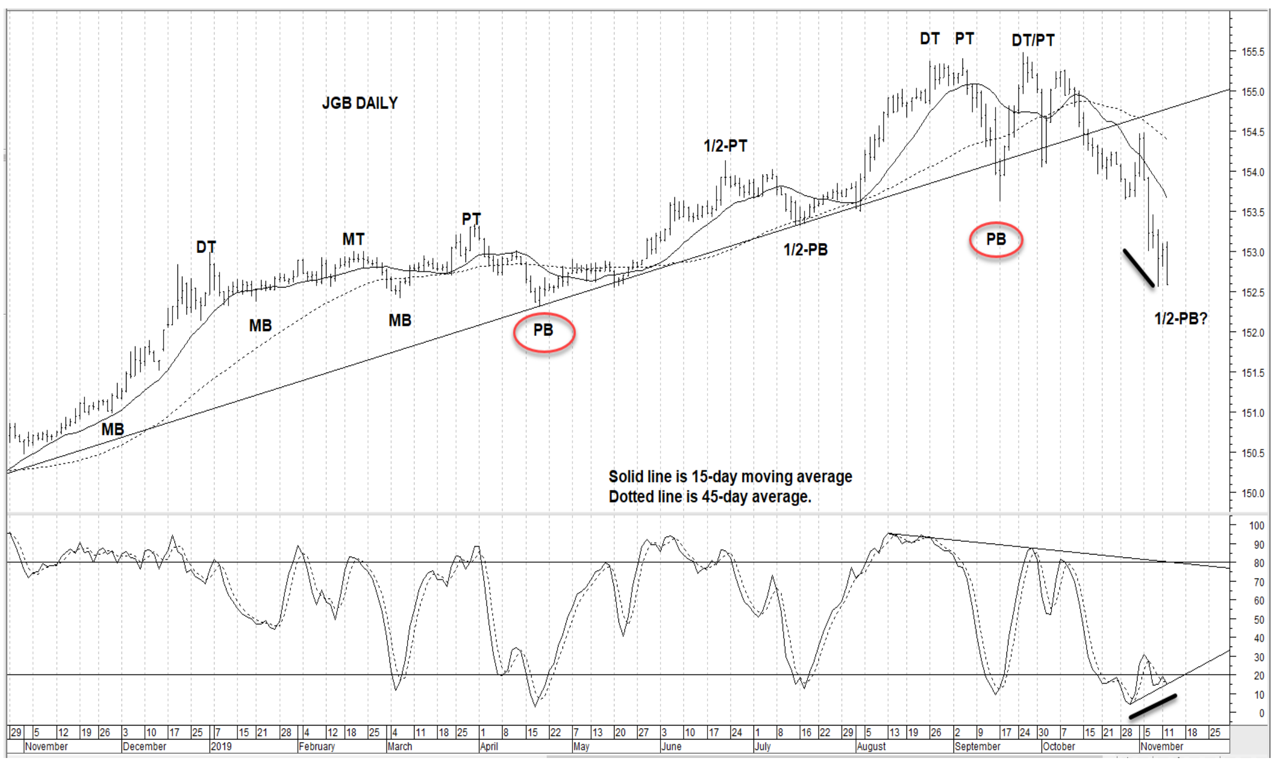
However, it is also possible that the market is still in its first 9-14 week major cycle phase and topping out now. There was a new high at 109.48 on November 7, the 10th week, and it occurred under a bearish oscillator setup (higher price, lower stochastic reading - see daily chart). It's possible this is the major cycle crest, and a 1-3 week corrective decline is starting that will take the Dollar/Yen back to 106.96 +/- .60. If so, this will break a steep upward trendline shown on the daily chart. I like this possibility because that trendline is too steep, and a break below it would be healthy, and set up a more realistic upward trendline. Since the high on November 7 was within two trading days of the November 5 one-star CRD, this is certainly possible. We could see prices decline into our November 22-25 two-star CRD zone, +/- 3 trading days. If this happens, traders can look to buy the Dollar/Yen then.

Trading strategies: Position traders are long the Dollar and were advised, "You can take profits on 1/3 now as we are in the price zone for a major cycle crest but hold onto the rest against a close below 105." Look to buy back those positions taken off if prices decline to 106.96 +/- .60.

Aggressive traders are long and were advised, "(use)… a stop-loss below 105 or 106, depending on your risk allowance. Look to cover 1/3 here now, and another 1/3 at 110.50 +/- .72. We may cover all and go short if prices continue to rally into our November 24 or December 11-12 CRD zones." You can cover another 1/3 here, but prepare to reverse and go long on a drop back to 106.96 +/- .60, using the same stop-loss. If prices rally to new cycle highs into either of these two CRD zones (November 22-25 or December 11-13, look to take some profits if long. If they decline into either, look to re-buy any covered positions.

JGB CRASHES

After posting its all-time high of 155.48 on September 25, and re-testing it again on October 8 at 155.26, the JGB has come crashing down to test the 152.50 area late last week and again early this week, it's lowest mark since a primary cycle low back on April 18 at 152.32. As stated last issue, *"Since our last report, JGB declined to a primary cycle trough on September 17 at 153.62 (one day before our September 18 three-star CRD), which was two weeks after its all-time high of 155.40 on September 4, which was one day before our two-star CRD of September 5. Since that low on September 17, the JGB rallied back again to the all-time high of 155.48 (not 155.40 as reported last month) on September 25. It did so on a lower stochastic reading. In fact, the stochastics are pointed straight down now, indicating that the high of September 25 could have been an early primary cycle crest. It was tested again on October 8 at 155.26 and failed."* Indeed, it was primary cycle crest.



November 11 starts the 8th week of the 15-23 week primary cycle, and prices are well below the 153.62 low of September 17 that started this primary cycle. If this labeling is correct, then JGB is headed for even lower lows until the primary cycle ends, which is not due for another 7-15 weeks.

The low forming now may be a 5-8 week major cycle trough, or an 8-11 week half-primary cycle type. In either case, a corrective rally may be readying, for these new lows are occurring with higher stochastic reading (bullish oscillator divergence). A corrective rally here could find JGB rallying back to 154.01 +/- .35. If that happens nearby to a CRD period (Nov 22-25, or Dec 11-12, +/- 3 trading days), traders would be advised to sell short.

Given that the decline to 152.55 on Friday, November 8, was basically a retest of the primary low of April 18, and it occurred at the midpoint of this Mercury retrograde cycle and with a case of bullish oscillator divergence, we cannot completely rule out the possibility that this is some kind of distortion involving a longer-term cycle. There is also in a corrective retracement zone off the long-term cycle double bottom low of 149.75 back in August 2018 (that would be 152.61 +/- .68).

Should JGB rally back above 155, we will have to give that more serious consideration. But for now, we will look for a low in here, probably by November 25, and a somewhat sharp 1-3 week corrective rally. This then, would likely be followed by another downturn to the lows forming now, or even lower, as the "normal" primary cycle bottoms in 7-15 weeks. As stated last month, *"If at any time, JGB breaks under 153.62, it is a sign that the primary cycle is turning bearish and won't bottom for another 11-19 weeks."* We will stay with that outlook for now.

We also repeat our concluding remarks of last month, which stated, *"Long-term geocosmic cycles might help. On January 12, 2020, Saturn will form its 32-37 year conjunction to Pluto. As will be demonstrated in the Forecast 2020 Book, the end of this planetary cycle is likely to mark the end of the low interest rate cycle for the U.S., and probably the world. It may require an orb of 9 months, but the next 32-37 year cycle is more likely to see a series of higher interest rates at 8-9-year intervals – higher highs and higher lows in internet rates for three decades. It is not likely to rise fast during the early stages of the first 8-9 year interval. For more on this fascinating cycle, please refer to the Forecast 2020 Book, due out in December 2019."*

Trading Strategies: Position traders were stopped out of longs on the close under 153.62 as prices failed to recover with a retest of 155.40 +/- .20. Stand aside for now while Mercury is retrograde. Aggressive traders are flat and may 1) look to buy now (152.25-152.15.55) with a stop-loss on a close below 152. And/or look to sell short on a rally back to 154.01 +/- .35, with a stop-loss on a close above 155.48.

The next MMA Japan Cycles Report is due out December 11, 2019.