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WEEKLY
JAPANESE NIKKEI ANALYSIS

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MONDAY, MARCH 18, 2024

Review: The Nikkei closed last week at 38,707, down 982 points from the prior week. The close was bearish and follows a bearish trigger, which ends the bullish sequence, and creates a bearish one instead. And the close was below the weekly TIP (Trend Indicator Point) for the 1st time in 13 weeks, which means it is downgraded back to neutral.

Primary Cycle Labeling: This week likely begins the 11th week in a newer primary cycle measured from the January 4 low at 32,693 or it starts the 20th week measured from the double-bottom low on October 30 at 30,538. Primary cycles in the Nikkei last 12-20 weeks, so a primary low this week is possible with Venus conjunct Saturn coming up. Otherwise, it's either an earlier primary cycle (11th week) or an expanded primary cycle (older, which sometimes can last up to 26 weeks).

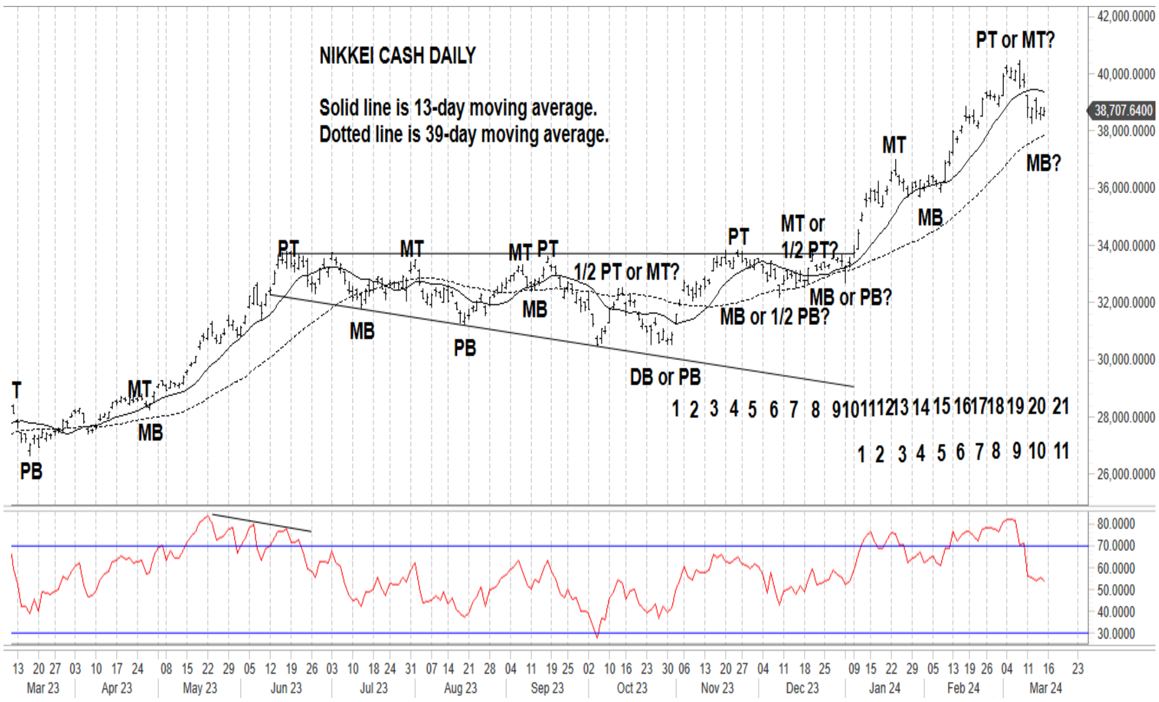
The primary cycle breaks down into phases that include half-primary cycle phases that last 7-11 weeks or major cycles lasting 4-7 weeks. As explained last week, "*There's a solid chance that the March 7 high at 40,472 was a major cycle crest under the January 4 labeling. This would represent the high of the second major cycle, and we would look for a 3-8 day corrective decline into a major cycle low*." The March 12 low at 38,271 was 3 days after the high, but the rally off this bottom was lackluster, so that may not have been it. In the October 30 scenario, this week could start the 11th in the second half-primary cycle phase, and the March 7 high would have to be the primary cycle crest. We would look for a 2-5 week corrective decline in this situation, and we are in the 2nd week now going into the March 19 CRD period where a primary cycle trough could form.

Longer-term: March is the 48th month in the 4.17-year cycle (50-month cycle) and the 24th month of the second 25-month cycle phase. Last week stated, "*It's getting very late in the long-term cycles for the Nikkei, and with the Japanese Yen appreciating like it is now, a downside shock could be coming for the Nikkei after hitting its first all-time high recently since December 1989*." We can't rule out a low unfolding within a month of Jupiter conjunct Uranus, and a retest of the 34,000-35,000 zone on a drop into a 4.17-year cycle low.

One possible pattern we are looking at could involve a primary cycle trough this week, followed by a 2-5 week rally to the crest of the next primary cycle, followed by a steeper decline into the next primary cycle low, coinciding with these longer-term cycle lows, if this indeed an older primary cycle.

Geocosmics: Last week stated, "*…Venus is ingressing into Pisces on March 11, so there could be a major shift in sentiment (Pisces) with respect to stocks and money (Venus)… Looking ahead, we do see the Sun/Neptune conjunction on March 17 (this week) followed by the Venus/Saturn conjunction on March 21. Any market declining into a Venus/Saturn hard aspect is a candidate for* *a rally afterwards. And the Sun/Neptune conjunction is a powerful Level 1 signature correlation with primary cycles. Thus, we cannot rule out the possibility that this is still an older primary cycle that could bottom then is prices trend lower this week and fail to make a new high*." We're coming into this March 19 CRD period now, which also begins Aries season. If this is an older primary cycle, we could easily see a primary cycle trough form this week. Mars will also ingress into Pisces on March 22.

Price Objectives and Patterns: Prices have been coming down after the Nikkei satisfied our secondary upside objective in the 40,300-40,500 zone the previous week. Last week stated, "*If it closes below support this week, a drop to 37,500 +/- 500 could follow*." This remains our downside objective for a primary cycle trough. If it's dropping into a 4.17-year cycle low now, then we would look for prices to fall to 34,000-35,000 at least.



Technicals: The Nikkei is coming down from its all-time high, but the weight of the technical evidence still suggests this decline is corrective instead of the start of a new bear trend. The RSI indicator is still in corrective territory between 40-60, and we could be in the time band for a trough in this CRD zone. If we see the RSI drop below 30 into oversold territory, it would be a strong signal that a decline into a 4.17-year cycle low is unfolding.

Prices closed below the 13-day moving average at 39,361 and above the 39-day moving average at 37,868. The 13-day moving average remains above the 39-day moving average, but prices are in between, so it is still bullish but turning towards neutral. A close below the 39-day MA will turn it neutral. It won't turn bearish until prices close below both MAs and the shorter one falls below the longer.

If this decline is corrective and to a primary cycle trough, a "normal" pullback would be to 35,505 +/- 1173. However, with Jupiter/Uranus still ahead and symbolic of a breakout to new highs still possible, the decline may not be that steep. It may find support above 37,000. Notice the bullish crossover zone below at 37,504-37,646 as a potential support area.

Technical Support and Resistance: Weekly support is 38,222-38,239. A weekly close below **38,222** will be bearish. A trade below 38,222 and a weekly close back above **38,238** would be a bullish trigger. Weekly resistance is now 39,192-39,209**.** A weekly close above **39,209** will be bullish. However, a trade above 39,209, followed by a close back below **39,192** would be a bearish trigger.

The weekly trend indicator point (TIP) is now **39,408.** The weekly TIP will be upgraded back to a trend run up if it closes above there this week.

Bullish crossover zones are in effect at 37,504-37,646, 33,732-34,457, **29,565-30,084**, 27,948-28,034, 26,997-27,025, 25,682-26,005, 24,777-24,862, 23,289-23,679, 22,649-22,868, 20,749-21,192, 17,266-17,847, 15,546-15,882, 14,813-14,919, 11,761-11,949, 10,544-10,622, 10,114-10,193, 9164-9247, 8697-8738, 8280-8441, and 8123-8167. These are all support zones now.

A new bearish crossover zone just formed at **39,192-39,314**. The Nikkie needs to close back above this zone in order to resume its bullish course. The Nikkei closed above bearish crossover zones previously at 32,931-33,124, **29,638-29,897,** 29,352-29,466, 27,982-28,368, 26,856-27,278, 25,682-26,741, 23,289-23,399, 22,160-23,078, 22,276-22,579 and 16,069-16,347, and 14,813-15,024, so these all act as support now.

Strategy for this week: Position traders were stopped out of remaining longs on the weekly close below 39,212 after covering 2/3 for an excellent first profit. Stand aside this week.

Aggressive traders were stopped out of remaining longs on the weekly close below 39,212 after covering 2/3 for an excellent first profit, and were advised, "*If stops trigger, revert back short with a stop loss on a weekly close above 40,400*." Let's tighten stops to a weekly close above 39,314, and cover 1/3 on a drop to 38,190 +/- 50 if offered. In the event that prices drop into or below the bullish crossover zone at 37,504-37,646, then close above this zone, cover another 1/3.

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