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**NIKKEI TRYING TO CONFIRM 16.5-MONTH CYCLE TROUGH**

Since our last month's report, the Nikkei fell to its lowest price of 2021, dropping to 27,385 on May 13. This was a decline of nearly 11% from its 30-year crest recorded on February 16 at 30,714, one day before the first passage of the powerful Saturn/Uranus waning square. It was also the end (as of now) to the steepest and longest decline since the 4.17-year cycle low of 16,358 on March 19, 2020.

As stated last month, *"The decline of this week (starting May 10) has created a new bearish signal that the 16.5-month cycle trough may be unfolding. The weekly chart reveals that for the first time since May 2020, the Nikkei has touched the 24-week moving average, now at 28,639... Since this is the first 16.5-month cycle phase of the greater 4.17-year cycle, the amplitude of the decline may not be too severe. It will likely be the steepest decline since the pandemic low of 16,358 on March 19, 2020. That was a loss of 32%. But it is likely to exceed the steepest decline that happened since then, which was less than 8%."*

It did exceed 8%, with a possibility of falling even further if this is an older primary cycle that is still unfolding.



## **LONGER-TERM CYCLES**

The Nikkei remains in the 12<sup>th</sup>-13<sup>th</sup> year of its 17-year long-term cycle, following the double bottom lows of October 2008 and March 2009 at 6994 and 7021, respectively. With a range of 14-20 years, the 17-year cycle trough is due 2022-2029. As stated before, *“My best estimate is that it will occur when the Moon’s North Node transits through Aquarius/Capricorn, 2026-2029. That time band can be narrowed further with studies showing that long-term cycles often occur when Uranus is leaving one sign for the next, which will take place 2025-2028. Thus, we look for the 17-year cycle to bottom 2026-2028.”*

The 17-year cycle will overlap with the second of its two 8.33-year half-cycles. These last occurred with the double bottoms of February and June 2016. They are next due 2023-2026 and will coincide with the greater 17-year cycle in 2026. It is possible the 8.33-year cycle could distort slightly.

The 8.33-year cycle further subdivides into two 4.17-year sub-cycles or phases. The first 4.17-year cycle occurred with the pandemic-hysteria low of 16,358 on March 19, 2020. It is next due May 2024 +/- 10 months. Prior to that low, its crest will occur. The first price objective for the crest of the 4.17-year cycle is 31,865 +/- 1830. The 30,714 high of February 16 was in the lower part of this price target range, so there is an outside chance that was the crest. However, there is plenty of time for it to go higher as it is still early in the 4.17-year time frame. Yet, we must keep in mind that the Saturn/Uranus waning square, which is in force February-December 2021, has an impressive history of exhibiting long-term cycle troughs or crests. It won’t likely be a trough, so it could coincide with a crest sometime this year.

## **INTERMEDIATE-TERM CYCLES**

The status of the 4.17-year cycle will be dependent upon the pattern that forms in this and the next 16.5-month cycle phase, the 1/3 sub-division of the greater cycle. With a range of 13-20 months and measured from the 4.17-year low of March 19, 2020, the Nikkei is now in the time band for its first 16.5-month cycle phase, due April-November 2021. It is possible it bottomed on May 13, 2021, but here too, there is plenty of time left to go lower before it makes a new high. A new high (above 30,714) would confirm the second 16.5-month cycle has begun off the low of May 13.

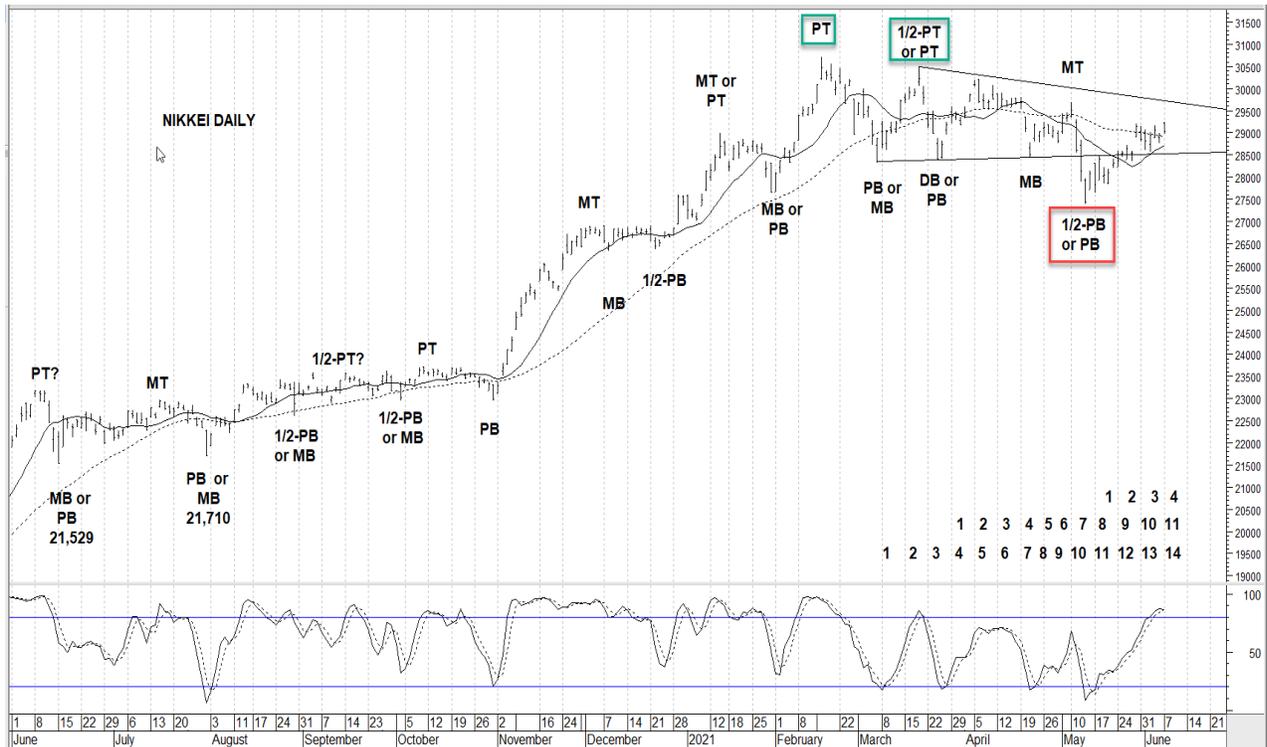
One sign that the 16.5-month cycle bottomed May 13 is that prices have now rallied back above the 24-week moving average, currently at 27,709. Another is that the weekly stochastics have turned back up (see weekly chart). However, a stronger sign would have been if 1) prices had moved below the 36-week moving average and 2) if the weekly stochastics had dropped below 20%. Neither happened, and so the Nikkei is caught between the outlook that it is a new 16.5-month cycle (bullish), and just undergoing a corrective rally in a 16.5-month cycle that is still underway and due by November 2021 (bearish).

To resolve this uncertainty (which is typical of Mercury retrograde, May 29-June 22), we will need to closely watch the primary cycle for clues. Also, we anticipate that the next month may be very revealing since it contains one of the strongest time bands (June 10-July 13) of geocosmic signatures correlating with primary cycle lows and highs for this year.

## **THE PRIMARY CYCLE**

The most important question right now is whether the low on May 13 at 27,385 was the primary cycle trough of the 12-20 week primary cycle that began with the low of this year on January 29 or the 7-11 week half-primary cycle low of a primary cycle that began on March 5, at 28,308? The answer to that question may also tell us whether the 16.5-month cycle is still underway or has started a new round as of May 13.

If May 13 was a 16-week primary cycle through, then it was also likely the 16.5-month cycle. June 7 would start the 4<sup>th</sup> week of new primary cycle. The first phase of all cycles is bullish, and this would be the first phase of the primary cycle. Supporting this view is the fact that the May 13 low at 27,375 was a slightly lower double bottom to the two that started the cycle at 27,629 on January 29. Double bottoms between the start and finish of a primary cycle are common when longer-term cycle lows occur. As stated last month, *“There is also a possibility that this begins the 16<sup>th</sup> week of an older primary cycle that started on January 29 at 27,629. The low of April 21 would have been the end of the second major cycle phase, and the Nikkei is now in its third major cycle from that low. A major cycle low would still be due in 1-4 weeks, but it would end the primary cycle. Here, the price target could still be 27,619 +/- 338 as given above for an earlier major cycle, which would also fit because that would be a re-test of the 27,629 that began this cycle on January 29.”*



But it is also possible that the low for May 13 was the 7-11 week half-primary cycle trough of a primary cycle that began on March 5 at 28,308. It was in the 9<sup>th</sup> week. In fact, that was and still is our preferred cycle labeling. As stated last month, *“The preferred labeling assigns the low of March 5, at 28,308 as the beginning of the current primary cycle. That would make May 10 the start of the 10<sup>th</sup> week. In this labeling, the primary cycle crest already happened on March 18, the 2<sup>nd</sup> week of the cycle, at 30,485. To strengthen this outlook, the Nikkei needs to break below the 28,308 low that started the cycle on March 5, for once the start of cycle is broken, the market is bearish, and the lowest price will not be realized until the cycle ends.”* That happened immediately after the report was written.

In this preferred labeling, this now starts the 14<sup>th</sup> week of the primary cycle and the 4<sup>th</sup> week of the second 7-11 week half-primary cycle. Ideally the low would occur in the next 3-8 weeks. Since the Nikkei took out the low that began this primary cycle in this labeling, it will not make a new high. In fact, it probably won't break the downward trendline which now comes in around 29,600-29,700. If it does, it strongly suggests this is a newer primary cycle. But if it doesn't, then the Nikkei is readying for another decline below 27,385. The price target for the primary cycle low in this labeling would be 26,141 +/- 513.

The key probably lies in what happens the next two weeks, according to geocosmics. There is a solar eclipse on June 10, the same day of the Mercury retrograde midpoint. Both of these signatures can coincide with primary or half-primary cycle crests. So can the Saturn/Uranus waning square, which takes place June 14. So can the Jupiter and Neptune retrograde of June 20-25. If the Nikkei or any market makes a potential primary or half-primary cycle crest during this period, traders should be prepared to cover longs and even consider selling short, for the Saturn/Uranus aspect can be followed by a very sharp decline – especially since Mars and Venus will form a T-square to Saturn and Uranus during the first 8 days of July. With Uranus being so highlighted, and with its reputation for sudden reversals and large price moves, the next month could see some large price moves.

*Trading strategies: Position traders may stand aside until Mercury turns direct June 22. If the Nikkei is making a new low between then and July 9, position traders are advised to look for a buying opportunity for a possible run to new yearly highs afterwards. In the event the Nikkei is making a new cycle high June 10-25, position traders would be advised to take some profits on long positions and wait until July 1-13 to buy back if prices fall hard into that time band.*

*Aggressive traders may look to sell this current rally, especially June 10-25 if prices do not exceed 29,700. Or, if they do trade higher, then look for a double/triple top around 30,400-30,800 to sell with a reasonable stop-loss above. On a sharp decline into July 1-13, be prepared to reverse and go back to the long side. We will provide more specific price guidance in our weekly reports, once we see how the Nikkei performs between June 10-25.*

#### **DOLLAR/YEN ATTEMPTS TO RETEST YEARLY HIGHS** by MMA Analyst Gianni Di Poce

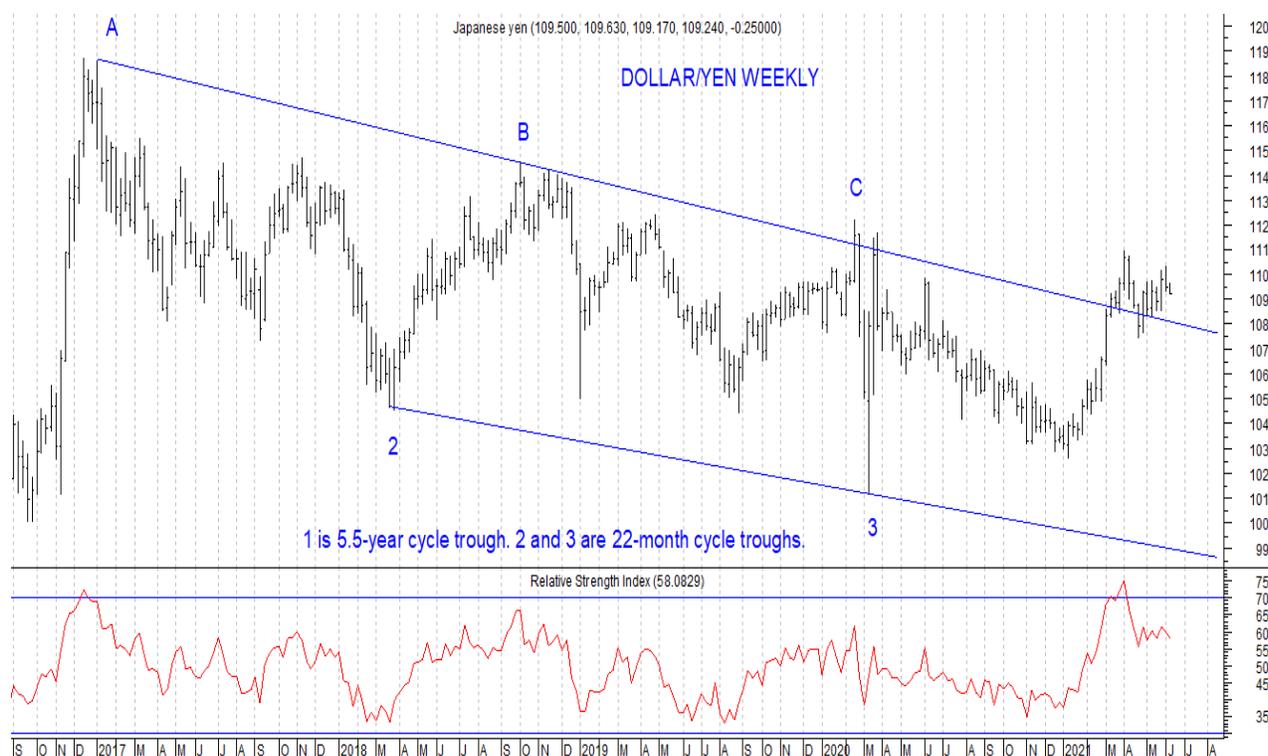
The Dollar/Yen is marginally higher since last month but continues to trade in a sideways price congestion. Prices closed out at 109.49 last week after rallying to a new weekly high at 110.33 on Friday, June 4. This may have been a reversal signal, but it's still too early to confirm. Last month's report stated, "...downtrends are characterized by lower-lows and lower-highs—we now have the first step in the establishment of a short-term downtrend in the Dollar/Yen. If this rally fails to exceed the previous high, we could see this currency pair decline. This could serve to further boost the value of the Japanese Yen over the next few weeks." The March 31 high at 110.96 continues to hold for now.

When it comes to long-term cycles in the Dollar/Yen, we begin with the 16.5-year cycle. The previous lows for the 16.5-year cycle unfolded in October 1978, April 1995, and October 2011. As a result, July 2021 begins the 9<sup>th</sup> year and 9<sup>th</sup> month of this cycle.

The 16.5-year cycle divides into three phases that last 5.5-years or 66 months and carries an 11-month orb. The previous 5.5-year cycle low occurred in June 2016, which makes July the 61<sup>st</sup> month of this cycle. The 5.5-year cycle sub-divides into three 22.5-month cycles with a range of 18-27 months. The previous low for this 22.5-month cycle occurred on March 9, 2020, and makes July the 16<sup>th</sup> month in this cycle. The low for this cycle is due between September 2021 and June 2022, and naturally, the big question that follows is whether it will take the Dollar/Yen below 101.17. Since the June 2016 low at 99.08 has yet to be broken, we must remain open to the notion that a rally could lead to a retest of the December 2016 highs around 118.66.

In terms of the primary cycle, the week of June 7 begins the 22<sup>nd</sup> week as measured from the January 6 low at 102.57. Primary cycles in the Dollar/Yen last 26-40 weeks, so we can start looking for a primary cycle crest to form at any time now, unless it occurred back on March 31 at 110.96. This high has yet to be exceeded, so for the time being, it remains a candidate for a primary cycle crest. This is not our preferred outlook at the moment, but if this March 31 high is not exceeded, we would likely have a case of "bearish left translation" in this Dollar/Yen primary cycle. This occurs when a cycle spends more time declining

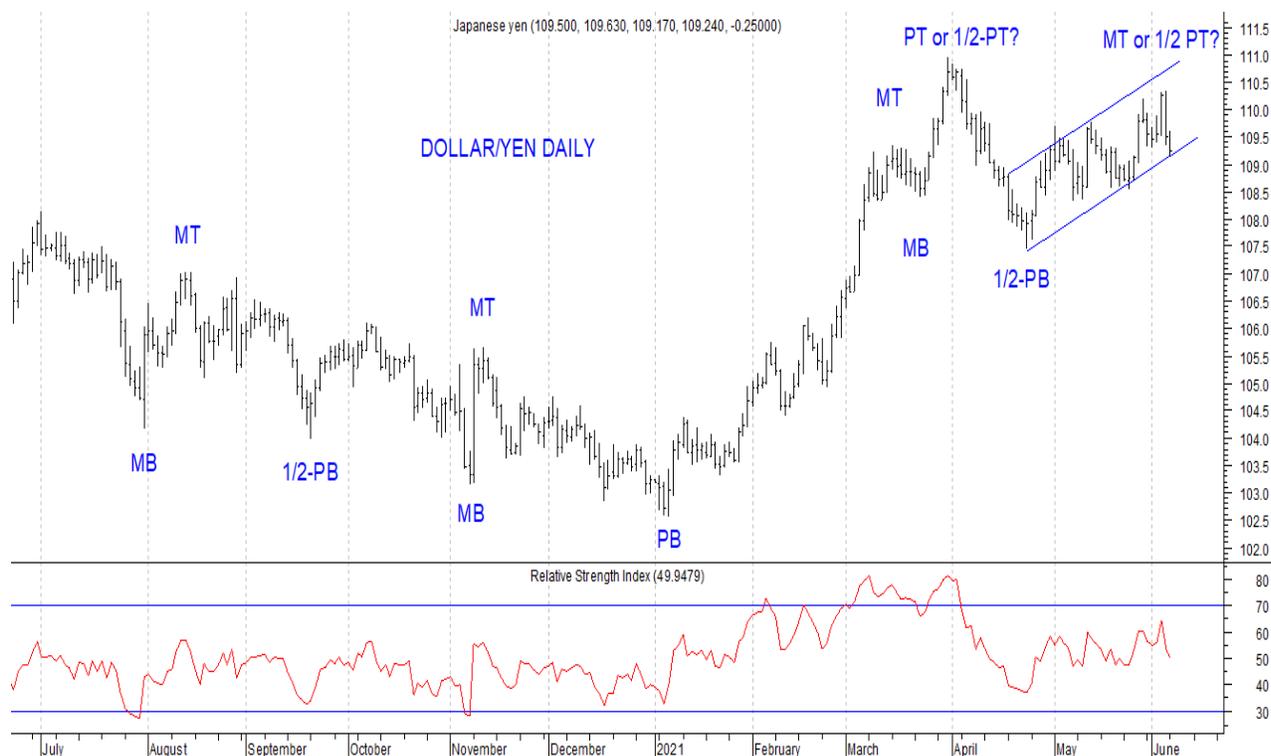
than rising, which is a bearish characteristic. The March 31 high occurred in the 12<sup>th</sup> week of the primary cycle. When it comes to major cycles, we typically see them last 9-14 weeks in the Dollar/Yen. The week of June 7 begins the 11<sup>th</sup> week in the major cycle as measured from the March 23 low at 108.39. This major cycle analysis also suggests that a crest could occur at any time, especially if it didn't happen already at 110.33 on June 4. However, a half-primary cycle low occurred on April 23 at 107.46 and is more dominant in this case than the major cycle. Half-primary cycles in the Dollar/Yen typically last 13-20 weeks, and the week of June 7 begins the 8<sup>th</sup> week in this cycle (and also the major cycle crest). If so, we may have already seen the highs for the primary cycle, which mean that prices could decline into a low that would be due between the weeks of July 6 and October 11.



The biggest technical challenge the Dollar/Yen currently faces is the possible secondary lower-high that formed on June 4 at 110.33. In addition, if prices decline to take out the lows of April 23 at 107.46, we would then have a lower-low, which would establish a technical downtrend. Last month's report stated, "On the weekly chart, we see how prices have pressed up against resistance on the weekly chart as characterized by the downward sloping trendline of the descending channel. Prices remains slightly above this level now, but a break below could turn into a case of a false-breakout, and as the saying goes, "From false moves, come fast moves." However, we note that the RSI indicator surged into overbought territory on the weekly chart during the latest rally. This was a sign that a large number of buyers were present to bid up the dollar, which is a good sign with respect to momentum.

The technical situation at the weekly timescale is largely unchanged—prices continue to consolidate above the upper trendline of the channel, which is actually constructive price action with respect to potential further upside. It was also stated, "... the trend is a bit mixed right now in the short-term. But if prices close below 107.90, it would be a strong signal that a high is in, and that prices could decline to the 105.00 area +/- .50. If prices hold and don't close below 107.90, we could eventually see prices rise as high as 113.50-114.00 during this primary cycle." The lowest close was 107.91, and that was the half-primary cycle low. The subsequent rebound took prices to a high on June 4, from which they started to reverse sharply. If we

look at the daily chart, we note that prices are consolidating with the ascending price channel. These are known to be continuation patterns, which means they tend to resolve in the direction of the underlying trend. In this case, the trend is considered mixed, unless prices can exceed the June 4 high at 110.33. Until that happens, we need to be open to the possibility of a technical breakdown and a decline into a primary cycle low in the Dollar/Yen.



In terms of the geocosmic outlook, we have two CRDs in the upcoming month: June 22-23 and July 2-3. The June 22-23 CRD hosts geocosmics such as Jupiter retrograde (June 20), Venus trine Jupiter (June 21), Mercury direct (June 22), Sun trine Jupiter and Venus opposite Pluto (June 23), Neptune retrograde (June 25), and Venus ingress into Leo (June 27). The July 2-3 CRD has aspects which include Mars opposite Saturn (July 1) and Venus opposite Saturn (July 6). If the primary cycle already topped out, we could see a primary cycle bottom unfold during one of these CRDs. Otherwise, we could see the final primary cycle crest—it really is contingent on how the Dollar/Yen resolves its current consolidation.

*Trading Strategies: Position traders were flat and advised, "...go long on a close above 110.70 with a stop loss on a close below 109.40 or go short on a close below 107.90 with a stop loss on a close above 109.35—whichever happens first." Neither happened thus far, so we are still flat, but we can maintain this same strategy. Aggressive traders are long with a stop loss on a close below 107.90. Traders were advised, "Look to cover 1/3 at 109.40 +/- .20 if offered." Got this off for a decent profit. If the stop loss at 107.90 triggers, revert back short with a stop on a close above 109.35.*

**The next MMA Japan Cycles Report is due out July 13, 2021.**

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