

When & Where Will This Bull Market End?

WCCC

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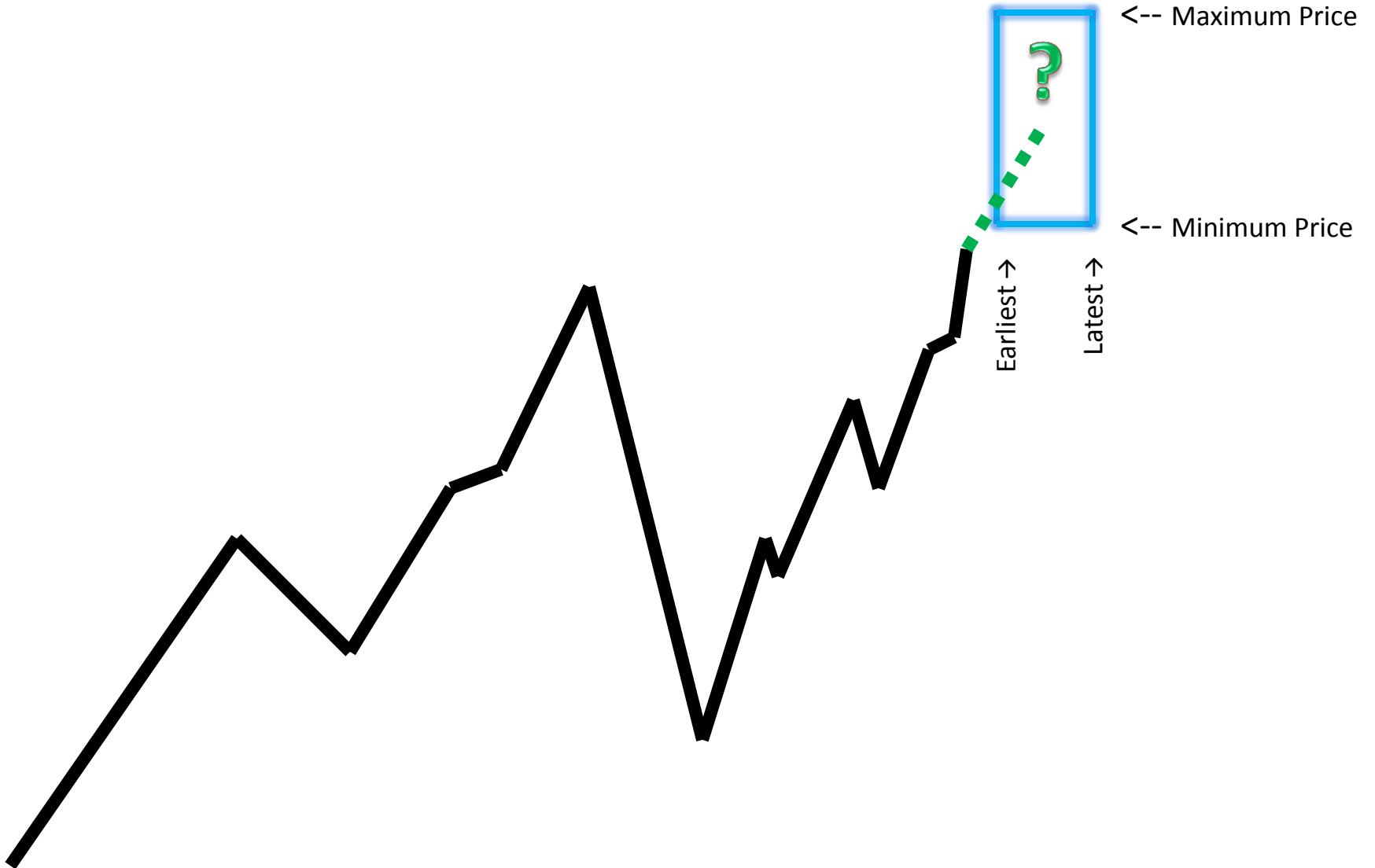


When will the Bull Market End?

- We all are trying to guess when the market will top
- So we tried to identify a range of possibilities:
 - When is the *earliest* time for a **top**?
 - When is the *latest* time for a **top**?
 - What is the *minimum price* objective of a **top**?
 - What is the *maximum price* objective of a **top**?

The objective is to identify a rectangle of possibilities.

OBJECTIVE RECTANGLE: The Rectangle of Possibilities



How will we build the OBJECTIVE RECTANGLE?

- To build this rectangle for the **DJIA**
- There are many tools that one could use, *but*
- *We selected the following tools:*
 1. Price History (Monthly Charts)
 - Specifically comparing two periods
1965 – 1975 to 1998 – 2015
 2. Compare structure and proportions of those periods
 3. Use Fibonacci extension technique for price projections
 4. Use history of McClellan Summation Index for the time projections

Historical Precedent vs. Speculation

What is the Structure?

- History tells us what has happened.
- Without historical precedent, we are in a *realm of speculation*; with historical precedent, we are in a *realm of possibilities*.

In other words, history doesn't tell us what will happen, only what could happen because it happened before.

- Structure is what we are imposing on reality. –
Example: Elliot wave analysis – different structures could be imposed on the same chart

Structure of two periods: 1965-1975 vs. 1998-2015

- **Why compare these two periods?**
- We will impose a structure on the first period:
1965-1975
- Then , we will impose a structure on the
second period: 1998-2015
- *Then we can examine the similarities*

Let's take a look...

DJIA 1965-1975



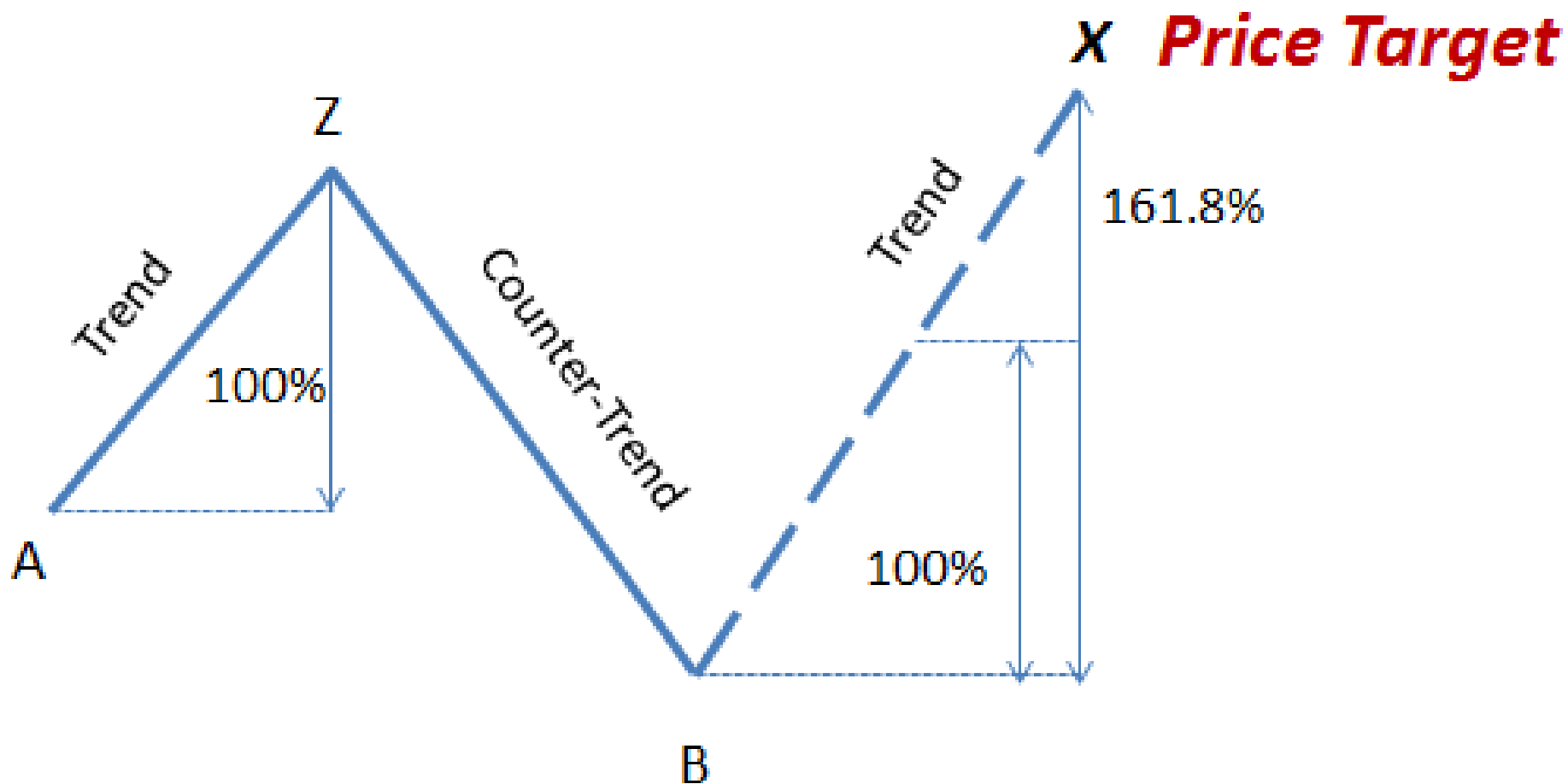
DJIA 1965-1975 vs. 1995-2015



DJIA 1965-1975 vs. 1995-2015



What is Fibonacci Price Extension?



How well did Fibonacci Price Extension work in the past?

Bull Market 1970 - 74

- **Price Target: 1046**
(Predicted 32 Months in Advance)
- **Actual High: 1067**
- **Error: 2%**



Bull Market 2003-2007

- Price Target: 14,236
(Predicted 5 years in advance)
- Actual High: 14,198
- Error: 0.3%



Fibonacci Price Extension for the Current Bull Market 2009 - ????

- **Price Projection: 17,796**



OBJECTIVE RECTANGLE: *Price*

- **Maximum Price: 17,796**

Obtained using the Fibonacci Price Extension

- **Minimum Price: 15,191**

Obtained from historical price structure analysis

Time projection based on previous bull market

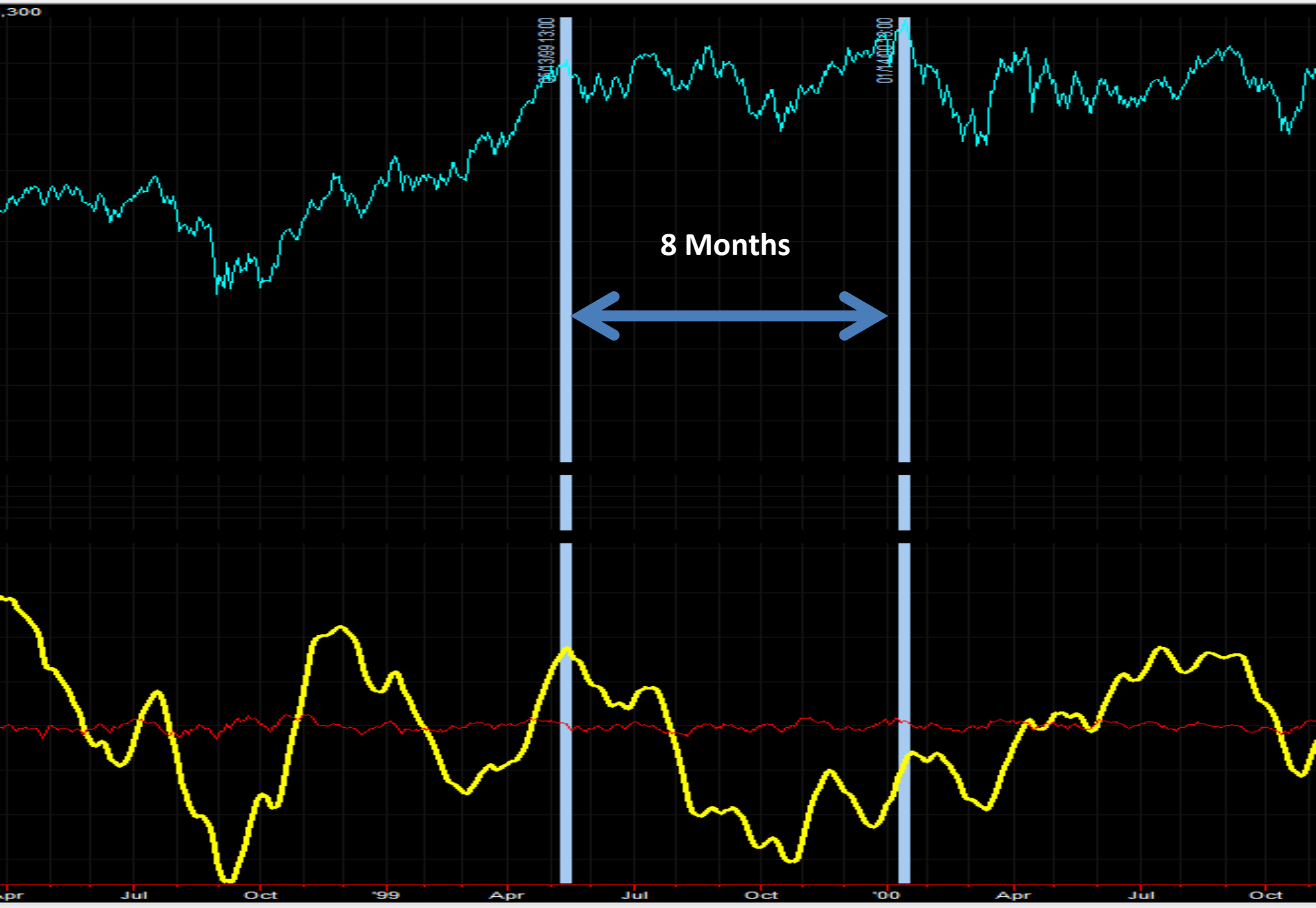
- If this bull market lasts the same as the last (60 months), then it will end in **March 2014**
- Previous high exceeded in 48 months in both bull markets (so we are on schedule so far)



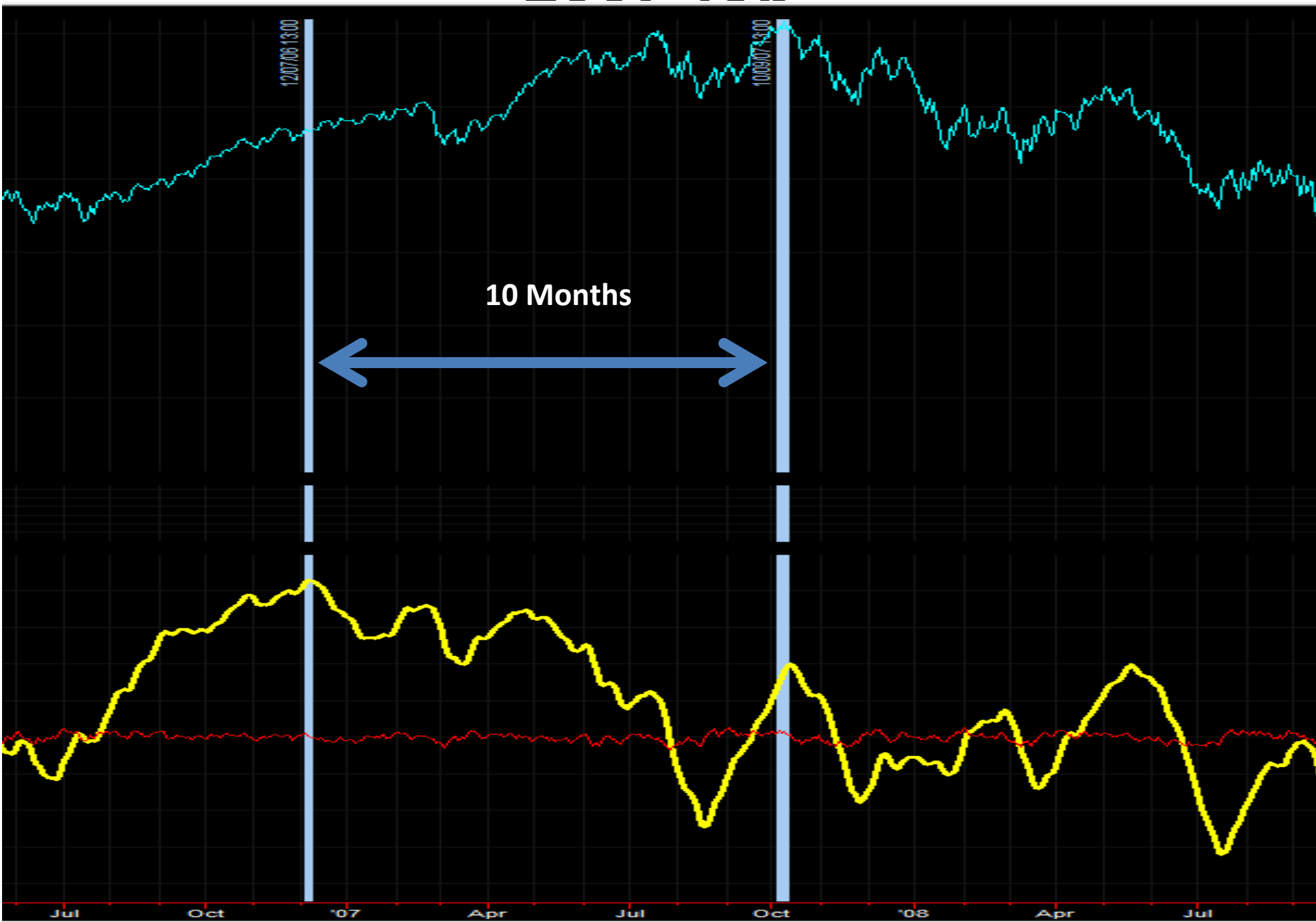
How soon could the Bear Market Start?

How much time elapses between the McClellan Summation Index top (right before it declines to warn that a Bear Market is coming) and the DJIA top?

2000 Top

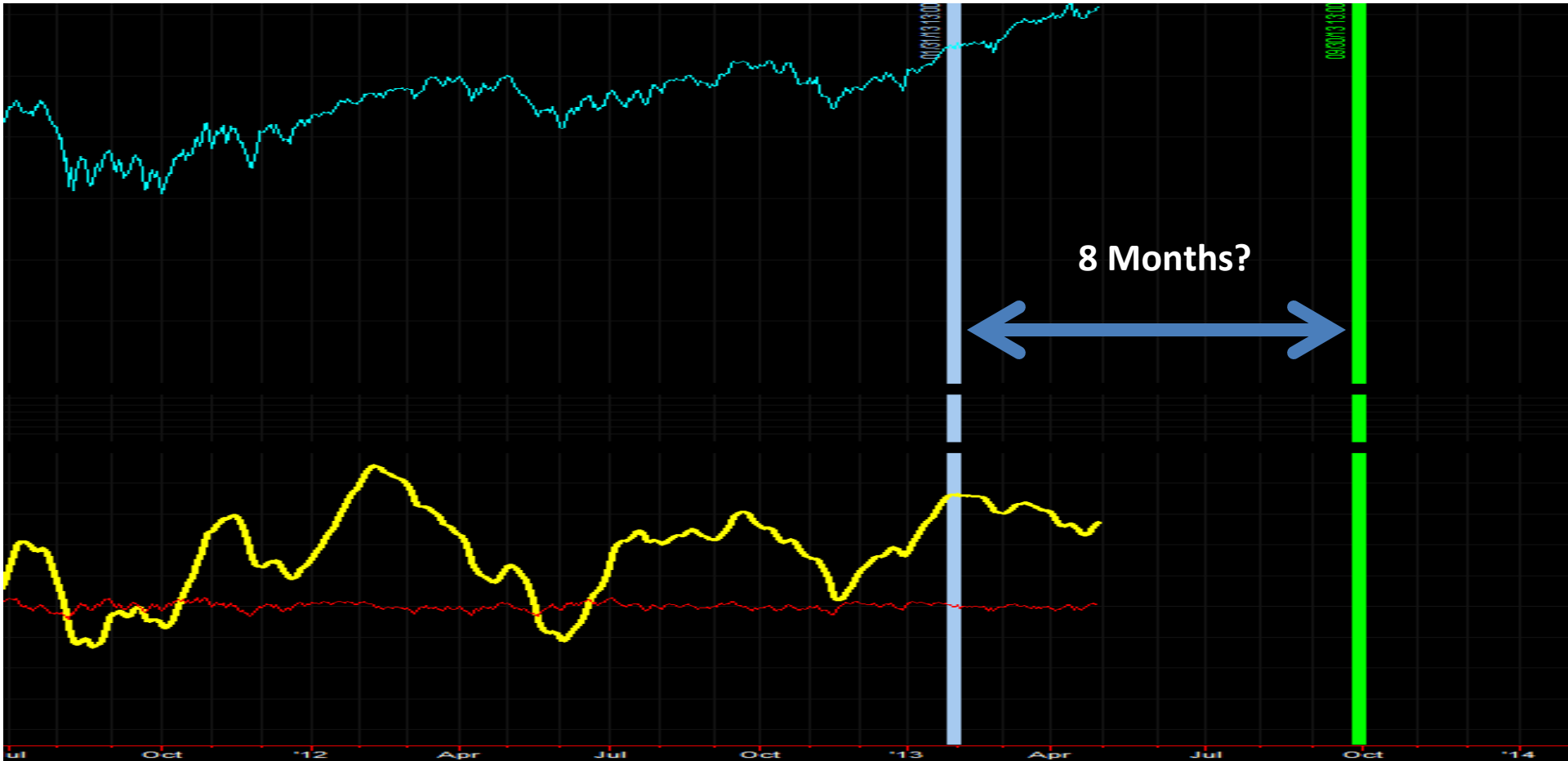


2007 Top



Current Period

- If the McClellan Summation index has already topped (and is going to give the signal for a Bear Market), then the Bull market top should be at least 8 months after the January 2013 summation top.
- Then, the earliest time for the top of the Bull Market is **September 2013**



OBJECTIVE RECTANGLE: *Time*

- **Maximum Time: March 2014**

Obtained using the previous bull market duration

- **Minimum Time: September 2013**

Obtained from McClellan Summation Index's recent history

OBJECTIVE RECTANGLE



Fly in the ointment:

No Bull Market has ever ended in a year ending with a 4 or a 5

Bottom	Top
Date	Date
8/10/1896	10/19/1899
23-Jun-1900	19-Sep-1902
9-Nov-1903	19-Jan-1906
15-Nov-1907	19-Nov-1909
26-Jul-1910	30-Sep-1912
24-Dec-1914	21-Nov-1916
19-Dec-1917	3-Nov-1919
24-Aug-1921	14-Oct-1922
31-Jul-1923	3-Sep-1929
8-Jul-1932	10-Mar-1937
31-Mar-1938	12-Nov-1938
8-Apr-1939	12-Sep-1939
28-Apr-1942	29-May-1946
17-May-1947	15-Jun-1948
13-Jun-1949	6-Apr-1956
22-Oct-1957	5-Jan-1960
26-Oct-1960	31-Dec-1961
26-Jun-1962	9-Feb-1966
7-Oct-1966	3-Dec-1968
26-May-1970	28-Apr-1971
23-Nov-1971	11-Jan-1973
6-Dec-1974	21-Sep-1976
28-Feb-1978	8-Sep-1978
21-Apr-1980	27-Apr-1981
12-Aug-1982	29-Nov-1983
24-Jul-1984	25-Aug-1987
19-Oct-1987	16-Jul-1990
11-Oct-1990	31-Jan-1994
4-Apr-1994	17-Jul-1998
1-Sep-1998	14-Jan-2000
10-Oct-2002	11-Oct-2007

Distribution by last digit of the year

Tops

Digit	Frequency
0	3
1	3
2	3
3	2
4	1
5	0
6	6
7	3
8	5
9	5

- This may be resolved by a shallow bear market in 2014 and a greater bear market in 2016