

This week, we would like to change our perspective and start with the chart of SPDR S&P Regional Bank ETF (KRE). The following chart is a wave count starting at the low after Lehman Brothers collapse for KRE.

Figure1 (1W) at present (Apr 13th)



In Figure 1, the waves ① and ② are counted as follows. The wave ② is interpreted as a double-three of the "flat-X-zigzag" pattern described in Weekly Report vol. 264.

Figure2 (4H) at present (Apr 13th)



Based on the counts presented in Figure 1, the following wave to the June 2018 highs is almost in a channel. This fact also supports the view that an impulse of Cycle degree that started at the post-Lehman Brothers collapse low was completed in June 2018.

Figure3 (1W) at present (Apr 13th)



It would then mean that corrective wave has started in June 2018. Since the retrace to the end of an impulse wave ④ of Cycle degree achieved at the COVID-19 crisis low in 2020, the following count would be a candidate.

Figure4 (1W) at present (Apr 13th)



If the counts presented in Figure 4 are correct, the shaded area in the following chart should be counted as a motive wave.

Figure5 (1W) at present (Apr 13th)



However, as a result of expanding the count to 4-hour legs, we tentatively concluded that it is appropriate to count the shaded area in Figure 5 as a zigzag, as shown below

Figure6 (4H) at present (Apr 13th)



Although the shape formed up to the wave 2 in Figure 6 is quite similar to the shape formed up to wave ② in Figure 5, it was impossible to count this part of Figure 6 as a double three.

On the evidence of the counts in Figure 6, the view that a corrective wave of Cycle degree is underway in a flat correction from the June 2018 high would be given the edge, roughly as follows.

Figure7 (1W) at present (Apr 13th)



Alternatively, the view is that a corrective wave of Cycle degree is forming a double-three with a zigzag and a flat in the actionary wave as follows.

Figure8 (1W) at present (Apr 13th)



Then, how can we count the waves after the February 15, 2022 high, which is counted as the end of the X wave in Figure 8?

Figure 9 presents an example. In this count, the area circled by the pink line is assumed to be in the process of forming a barrier-triangle.

Figure9 (2H) at present (Apr 13th)



The problem with this count is that the area circled by the blue line is difficult to recognize as an impulse. However, at this time, we have not found a count that matches the wave rules and guidelines better than this count. If the counts presented in Figure 9 were correct, the following counts would be candidates for one larger wave, in which the entire corrective wave of Cycle degree is a flat and the © wave is forming a diagonal. Or, it could be a count like the one shown in Figure 8.

Figure10 (1D) at present (Apr 13th)



Another possible wave count after the February 15, 2022 high would be as follows.

Figure11 (2H) at present (Apr 13th)



Here, we counted (ii) of C as a double three.

If the counts in Figure 11 were correct, the following would be candidates for the one larger wave count.

Figure12 (1D) at present (Apr 13th)



In Figure 11, the waves are tentatively counted as ABC zigzag, while in Figure 12 they are (1), (2), and (3) of the impulse.

Now, we come to the main issue. The reason I brought up the chart of SPDR S&P regional bank ETFs this time is because, as I will show next, the charts of KRE and U.S. 10-Year Treasury Bond Yield after the COVID-19 crisis low show generally correlated movements, except for the purple-shaded area in Figure 13.

Figure13 (1D) at present (Apr 13th)



Focusing on the most recent wave, KRE has been in the process of forming an impulse since February 4, and its fourth wave may have formed a double three or near barrier triangle.

Figure14 (1H) at present (Apr 13th)



On the other hand, the U.S. 10Y is in the process of the following double zigzag starting on March 3, with its (X) wave being a barrier- triangle.

Figure15 (1H) at present (Apr 13th)



Alternatively, it appears that the following count of impulse wave ④ being a triangle is more likely to be appropriate.

Figure16 (1H) at present (Apr 13th)



Assuming that KRE and U.S.10Y move in correlation for the time being, progression scenarios of US10Y would be one of the following, as KRE will fall in the fifth wave after the completion of the fourth wave.

Figure17 (4H) at present (Apr 13th)



Figure18 (4H) at present (Apr 13th)



In Weekly Report vol. 269, we presented the following example of the progression scenarios of U.S.10Y.

Figure19 (1D) at Weekly Report vol.269



Figure 19 is only one of the count examples. However, on that basis, the impulse presented in Figure 18 corresponds to (i) of iii of (c) of A in the following chart.

Figure20 (1D) at present (Apr 13th)



Furthermore, we find that the U.S. 10Y is also correlated with the dollar-yen rate movement as follows.

Figure21 (4H) at present (Apr 13th)



The following schematic diagram was also presented in Weekly Report vol. 271 related to the progression scenarios of the dollar-yen rate and the shape of the waveform.

Figure22 (1D) at Weekly Report vol.271



From Figure 21 and Figure 22, we can assume the following progression scenario for the U.S. 10Y and the dollar-yen rate, respectively.

Figure23 (4H) at present (Apr 13th)



Moving on, let's look at the relationship between U.S.10Y and the euro-dollar rate. Overlaying the chart of U.S. 10Y on the 4-hour chart of the dollar-euro rate (reversal of the euro-dollar rate) shows that the two movements are correlated as follows.

Figure24 (4H) at present (Apr 13th)



In the previous report, we also presented the following counts and progression scenarios for the euro-dollar rate.

Figure25 (4H) at Weekly Report vol.271



Inverting the Eurodollar chart presented in Figure 25, overlaying it with the chart of U.S.10Y (orange line), adding the count symbols after the October 2022 high presented in Figure 20, and drawing the progression scenario as a dashed orange line, we get the following.

Figure26 (4H) at present (Apr 13th)



Also here, we can confirm that the dollar-euro's progression scenario correlates with the U.S. 10Y's progression scenario. The preceding discussion confirms that the counts and progression

scenarios for the KRE, U.S. 10Y, and the dollar-yen, and the euro-dollar are consistent with each other's relationships.

Now, let us look at stock indices.

First, the Dow: In the Elliott Wave Weekly Report vol. 270, I mentioned two possible scenarios for the wave from the February 14 high to the March 16 low: zigzag completion and impulse completion.

Figure27 zigzag completion (1H) • at Weekly Report vol.271



Based on the zigzag completion scenario, the wave count at this point would be as follows.

Figure28 zigzag (1H) • at present (Apr 14th)



Or a count like the following.

Figure29 (1H) · at present(Apr 14th)



In Figure 28 and Figure 29, the symbol ABC could be replaced by the impulse 123 for the waves after the March 16 low.

The following would be an example of one larger wave count if the zigzag completion scenario were correct.

Figure30 (8H) · at present (Apr 14th)



The weakness of this count is that the © wave is relatively oversized compared to the © wave, and the retrace of the (2) wave in the © wave is too large.

In Elliott Wave Weekly Report vol. 270, we presented the following counts regarding the impulse completion scenario.

Figure31 Impulse completion scenario (1H) • at Weekly Report vol.270



This can be counted as follows at this point.

Figure32 (1H) • at present(Apr 14th)



For the wave after the March 16 low, the number 123 could be replaced with ABC zigzag.

Also, as in Figure 28 and Figure 29, it would be possible to count the wave (iv) after the March 16 low in Figure 32 as follows.

Figure33 (1H) · at present(Apr 14th)



Considering the wave counts at the present time, the following would be an example of one larger wave count in case the impulse completion scenario is correct.

Figure34 (8H) · at present(Apr 14th)



One larger wave count of this is as follows. (from March 20 radio broadcast material)

Figure35 double-three: corrective wave of Cycle degree (1W)



Figure36 flat: corrective wave of Cycle degree (1W)



The alternative counts in Figure 34 are as follows.

Figure37 (8H) · at present(Apr 14th)



In this case, the count of one larger wave is as follows. (from March 20 radio broadcast material)

Figure38 (1W)



Or a count like the following.

Figure39 (1W)



You can come up with any number of complex progression assumptions if you want to. However, such an action goes against the purpose of the analysis based on the Elliott Wave Principle, which is to narrow down the infinite number of progression scenarios to a few. I will therefore present only two of the other progression scenarios.

Figure40 (8H) • at present(Apr 14th)



The overall reactionary wave from last October's low is a zigzag, but its wave (B) counts as a flat.

Another count is as follows.

Figure41 (8H) at present(Apr 14th)



The overall reactionary wave from last October's low is a double-three, with the count of its wave (Y) being flat and in progress. This count also suggests that unless the stock price crosses the wave (W) endpoint in the future, we cannot rule out the possible completion of a correction by wave II (or B wave) already.

In other words, the possibility that the ABC zigzag from the March 16 low is wave (ii) of 1 of (3) in the following chart is not zero based on the wave principle.

Figure42 (1W) at present



Moving on, I'd like to look at the 225 CFD.

Before I begin, I will present five examples from the overall corrective wave counts of cycle degree that seem to be superior at the present time.

Figure43 (1D) at present(Apr 14th)

① Triangle's wave (d) in progress



Figure44 (1D) at present(Apr 14th)

② Triangle completion



Figure45 (1D) at present(Apr 14th)

③ Triangle (e) itself is a triangle



Figure46 (1D) at present(Apr 14th)

④ Wave (B) as a double zigzag



Figure47 (1D) at present(Apr 14th)

⑤ Flat with a triangle of wave (B)



The above are the five patterns.

The following table compares the progression scenario of the Dow with that of the Nikkei 225 CFD. (This is a subjective classification, so please use your own judgment.)

Dow Figure30	Dow Figure34	Dow Figure37	Dow Figure40	Dow Figure41
N/A	Nikkei Figure43 · 44	Nikkei Figure43 · 45	Nikkei Figure43 · 46	Nikkei Figure43

Also, needless to say, the progression scenario for the Nikkei 225 CFD corresponding to Figure 42 for the Dow is shown in Figure 47.

Now that we have only one hour left in the New York market this week, we would like to start with a few things that are inconsistent with what we have described so far, and we will try to sort them out first.

First, for U.S. 10Y, both Figure 17 and Figure 18 assumed a downward progression, as shown in the following chart, but in fact, they have moved upward.

Figure48 (4H) at present (Apr 15th)



That would mean that one way to look at it is that the wave (v) of the impulse could have been completed as a thrust, as shown below.

Figure49 (1H) at present (Apr 15th)



We verified whether the wave that we identified as wave (v) in Figure 49 can be counted as a motive wave, and found that it can be counted as a diagonal, as follows. However, the following return is not "rapid".

Figure50 (30M) at present (Apr 15th)



If the counts presented in Figure 49 and Figure 50 are correct, after the completion of the wave (v), the progression is expected to be as follows.

Figure51 (30M) at present (Apr 15th)



However, it should also be noted that the upward wave counted as 123 in Figure 51 may be an ABC zigzag, since the return from April 6 would correspond to 2nd wave of the impulse if we refer to the count presented in Figure 20.

Furthermore, the possibility that the fifth wave of the impulse starting at the March 3 high is forming a diagonal cannot be ruled out at this point. In that case, the wave count after the completion of the fourth wave's triangle would be as follows.

Figure52 (30M) at present (Apr 15th)



In Figure 52, waves (1) and (2) represent the diagonal.

On the other hand, KRE still have the potential for the barrier triangle scenario to be correct at this time, as follows.

Figure53 (30M) at present (Apr 15th)



However, we can also count KRE to have already completed the impulse as follows.

Figure54 (30M) at present (Apr 15th)



However, even in that case, there is no change in the cycle degree corrective wave counts presented in Figure 10 and Figure 12.

Assuming that the count of U.S.10Y presented in Figure 20 is appropriate and that the count of U.S.10Y and the view presented in Figure 51 are correct, the correlation between U.S.10Y and the dollar-yen rate can be assumed to be as follows.

Figure55 (4H) at present (Apr 15th)



Referring to Figure 55, the following ideas would arise for the near-term count and progression scenario for the dollar-yen.

Figure56 (4H) at present (Apr 15th)



The trend of the dollar-yen rate up to this point is consistent with the rough assumption of the next progression of the dollar-yen rate shown in Figure 22, however, further movements will diverge significantly from the assumption of the progression of the U.S. 10Y shown in Figure 20.

Figure22 (1D) at Weekly Report vol.271



Although we ran out of time this time, we will carefully consider this issue, including the euro-dollar rate count, as an issue for next week and beyond.

Finally, let's take a look at the Nikkei 225 CFD.

The current count of waves since the March 16 low is as follows. As in the past, this is an example of a tentative view as it is an ongoing wave.

Figure57 (15M) at present (Apr 15th)



Based on the "① Triangle's wave (d) in progress" in Figure 43, the wave from the August 17 high can be counted as follows.

Figure58 (4H) at present (Apr 15th)



On this count, the (D) wave is a two-fold double zigzag

Also, based on the "② Triangle completion" in Figure 44, the following counts and progression scenario would be expected.

Figure59 (4H) at present (Apr 15th)



In this report, we attempted to reconsider the counts of U.S. 10Y and the dollar-yen rate using the chart of KRE as a clue, but with the result it was not a straightforward process. In analysis based on the Elliott Wave Principle, it is inevitable that multiple counts and progression scenarios can be drafted. Therefore, we have learned from our past studies that the method of analyzing the charts of multiple indices in a combined manner and using their correlations as a hint to narrow down the appropriate counts and progression scenarios. This method is rational and leads to the best results. We will continue our studies to find the most feasible progression scenario by examining the various targets of analysis.

That's all for this week.

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