

Converging Fan Trend-line Patterns™

Predicted the Stock Market Crash of 2025

Plus, a History of the Pattern's Past Performance

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The Theory Behind a Converging Fan Trend-line Pattern™ :

Back in 2022, we discovered this forecasting pattern at www.technicalindicatorindex.com , and have since used it to project tops and bottoms for subscribers (which we will show later in this article). It identifies multiple trend-lines, all fanning, or converging, to a singularity point, a future level and date. In other words, it predicts where prices are headed, predicts at what price level they will reverse their current trend, and also *when* that trend will likely end and reverse. It supplements our other forecasting tools to predict market moves.

Trend-lines have been used by market technicians for decades, and provide resistance and support levels for market instruments, Gold, Silver, Stocks, Oil, Currencies, Bonds, whatever we want to chart. Prices will often reach these trend-lines, and then reverse. Trend-lines represent boundaries.

What is unique about a Converging Fan Trend-line pattern is that a multiple of both support and resistance trend-lines are converging together to one place in the future, **as if a large finger is pointing to a spot where whatever direction the trend is heading into it, once it**

arrives there, the instrument will reverse course. The multiplicity of trend-lines all converging to a singularity is a remarkable incidence, so remarkable that it cannot be random. It is the market telling us where it is headed, and when it will reverse. This is what market analysts and market technicians have been striving to find for over a century.

The direction of the trend between now and that future convergence level and date can be determined. If the present level is below the future convergence point, there will be a rally between now and then. If the present price level is above the singularity point from the convergence fan trend-line pattern, there will be a decline from current levels.

Most interesting, is that this technical analysis tool also answers “when.” It reveals an approximate date for the future trend turn, as well as where that price level for the trend reversal will occur.

But such a pattern is rare. It does not always exist for all markets at all times. It is a gift from the market. In other words, we will not always get a multiple trend-line convergence fan to a singularity price and date. This pattern is not always going to show up for every top or bottom. So, when it does, it is identifying an important turn. It is a discovery process to find these patterns. This pattern is the market telling us where it is ultimately headed in the future. And we have currently identified several new ones, which we share with our market forecast newsletter subscribers at www.technicalindicatorindex.com . As part of our work, we are always on the lookout for these Converging Trend-line Fan patterns.

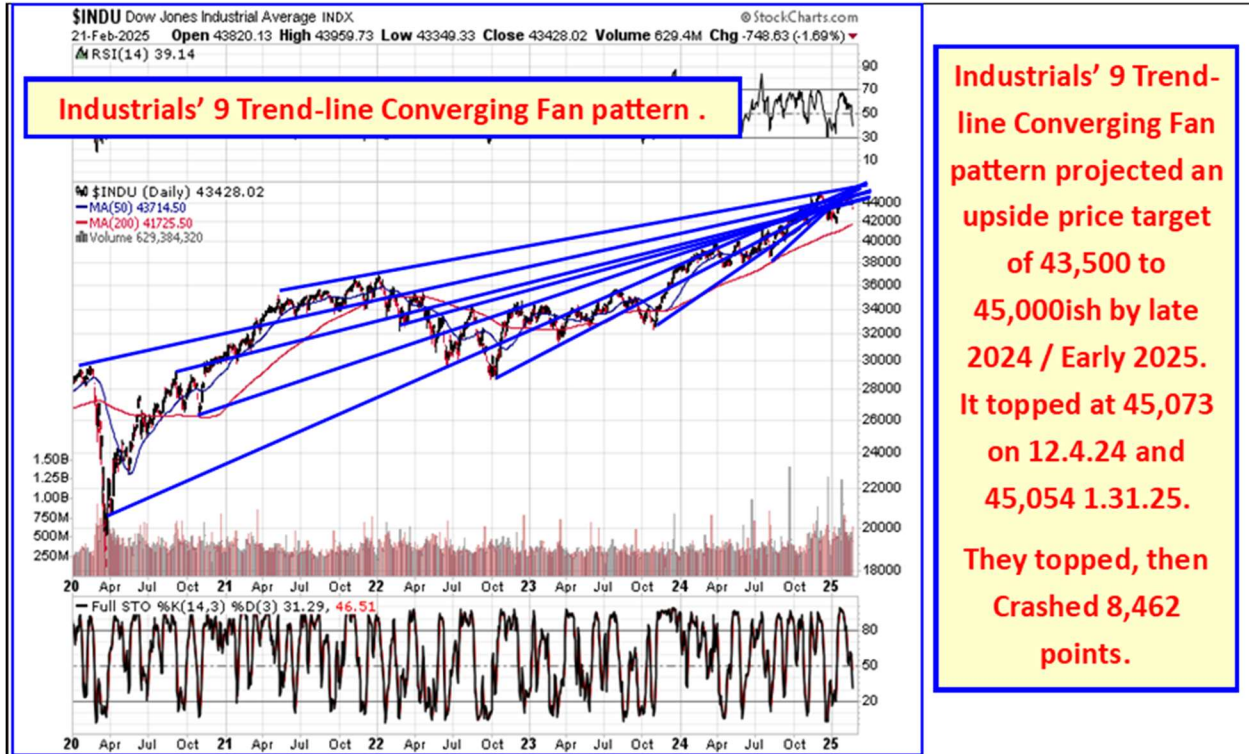
Because the singularity is in the future, sometimes many weeks or months into the future, prices may not move straight into the target. There could be minor oscillating wave movement between when the pattern first appears, and that future target date and price level target.

We have found several Converging Fan Trend-line patterns for the stock market that we have shown to our subscribers in our newsletters at www.technicalindicatorindex.com that have proven to be successful. The track record is pretty remarkable. No forecasting tool is perfect. There are no guarantees in this business, however, by adding this tool to the many other forecasting methodologies such as Elliott Wave mapping, Pattern Shape analysis, momentum indicators, overbought and oversold indicators, Phi mate, Fibonacci Cluster, and Bradley model Cycle turn dates, and much more, combined together, we can achieve high probability forecasts.

The Pattern's Performance Track Record So Far:

Now let's show you several patterns we discovered since 2022 that accurately predicted the trend turn's price and date target.

First, here are the more recent examples. Later in this article, we will share others going back to 2022.



Above we show a Converging Trend-line Fan pattern we originally

presented to subscribers in October, 2024, that had 9 trend-lines, with at least 2 touchpoints, that all converged around 43,500 to 45,000ish, forecasting a top to occur sometime from December 2024 through February 2025. This gave a potential upside price target for the Dow Industrials, forecasting *when* the strong rally from August 2024 would end, and *where* it would top.

In fact, this pattern's price and time forecast proved to be accurate. The Industrials topped at 45,073 on December 4th, at this upside price target, and again in a double top, reached 45,054 on January 31st, 2025.



Once this forecasted top arrived, the Industrials plunged 8,462 points, 18.7%, to 36,611 on April 7th, 2025. We originally presented this Converging Fan pattern chart to our subscribers back on October 15th, 2024, long before this top arrived, in issue no. 4963.

Next, let's look at a Fan pattern predicting the S&P 500's recent crash.



Above we show a Converging Trend-line Fan pattern we presented to our subscribers in a newsletter back on December 13th, 2024, issue no. 5005, page 52 of that report.

It was forecasting a major top and trend reversal around the time period of February 2025, near the 6,250ish area. In fact, it topped on February 19th at 6,147, pretty close to this target.

Back in that February newsletter, we wrote, "If the above pattern is correct, the S&P 500 should soon top and decline." It crashed 27.1% since then, through April 7th, 2025.

Next, below we show another Converging Trend-line Fan pattern that called the NASDAQ 100's top in February 2025, around 22,000ish.

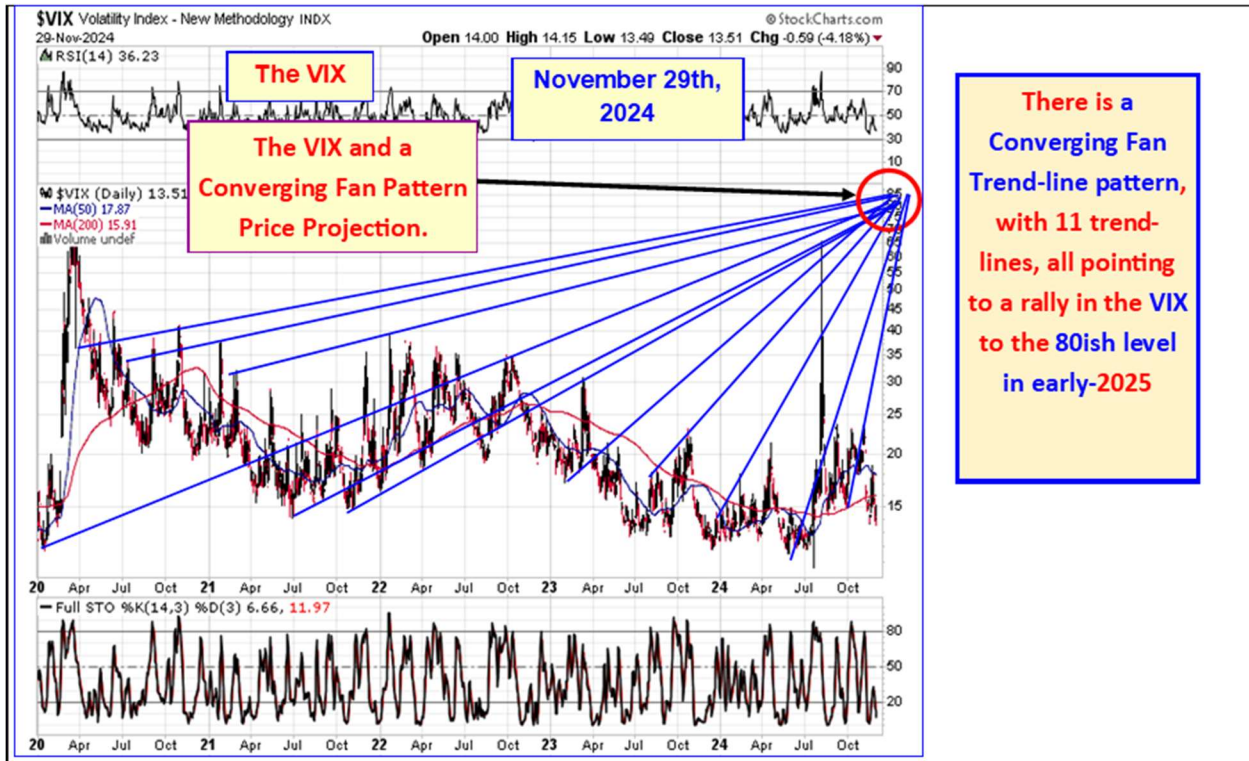


We identified and presented this pattern back in December 13th, 2024's newsletter, issue no. 5005, page 59. There were 8 trend-lines, with at least 2 touchpoints, from 2020 that all converged around 22,000ish around January / February 2025 for the NASDAQ 100. It topped at 22,222 on February 19th, 2025. Back in February, we wrote, *"If the above pattern is correct, the NASDAQ 100 should soon top and decline."* In fact, since then, the NASDAQ 100 crashed 25.5% through April 7th, 2025.

Another way to watch for a potential stock market plunge or crash, is to forecast when the VIX (Volatility Index) is going to spike from a normal range of 10 to 15 to an extraordinary area, above 50.

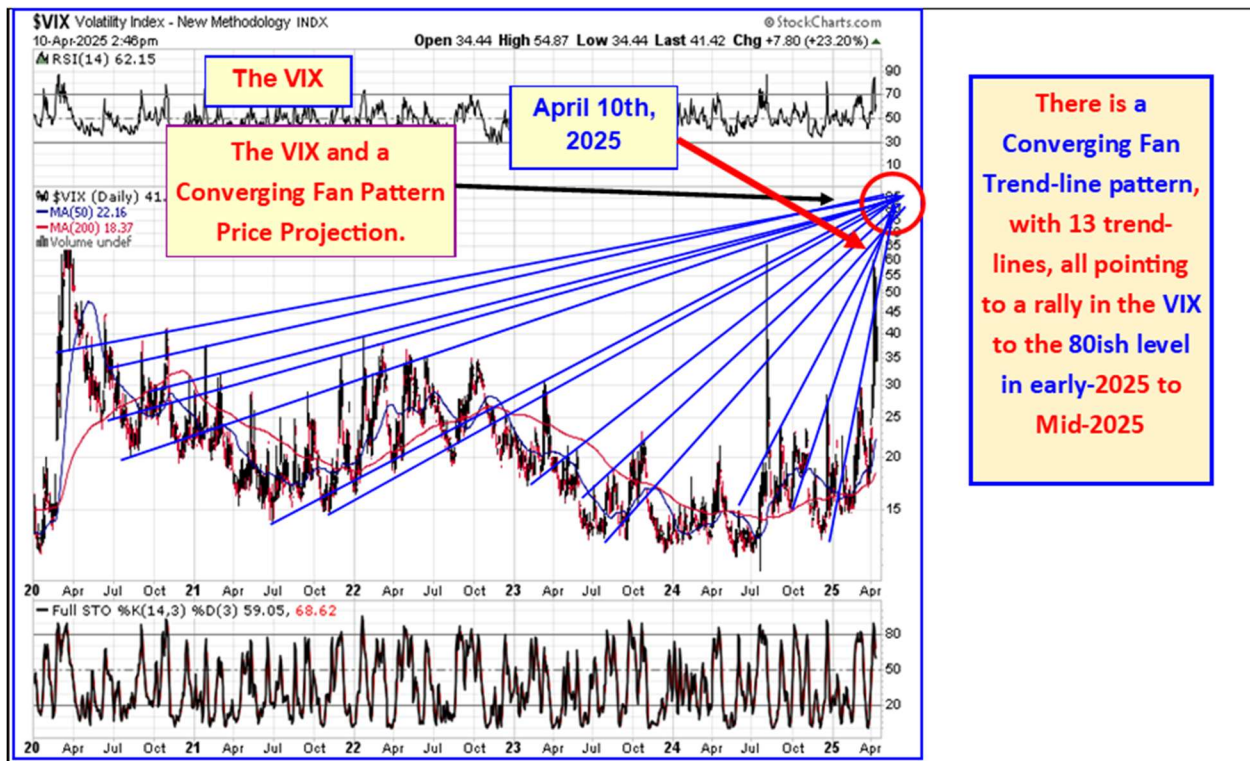
The Converging Fan pattern did this twice in the past three years. It called the stock market crash of February to April 2025, and called the plunge from July to August 2022. Let's first take a look at the pattern's

warning for 2025.



Above is the chart we identified and shared with our subscribers back on December 2nd, 2024, in our newsletter issue # 4996. We showed the above pattern, that was predicting a stock market Crash would occur sometime in early 2025. It is a Converging Fan Trend-line pattern, with 11 trend-lines, each having at least 2 touchpoints of tops or bottoms, all pointing to a singularity price and time point of 80ish for the VIX, far above the dangerous 50 area, which is a level usually only seen during stock market crashes, specifically in the S&P 500.

At the time we presented this pattern, as of November 29th, 2024, the VIX was at 13.51, so such a prediction seemed ludicrous and impossible. But look at what happened to the VIX as shown in our next chart:



Well, the VIX in fact exploded higher, above 50, as the Converging Trend-line Fan pattern's forecast proved to be correct, while the S&P 500 crashed 27.1% from February 19th, 2025 through April 7th, 2025.

The above chart shows that the VIX exploded above 60 in early April 2025, far above 50, a level commensurate with stock market crashes, an extraordinarily high enough level to validate this Converging Trend-line Fan pattern's approximate price and date forecast for the VIX, and its warning of when a coming stock market crash was likely.

Now let's look at some of the first patterns we identified that successfully forecast where prices were headed next:

The first time we discovered this pattern was in August 2022, and presented it in our weekend newsletter issue no. 4424 to subscribers. The pattern was tracking the corrective strong rally off the June 17th,

2022 low.



This Pattern suggested Wave 2's Top, will be around 34,000ish, around August 15th +/-.
 The top was August 16th at 34,281.

MACD at a Topping Position.



Industrials' 5 Trend-line Converging Fan pattern Forecast a top around August 15th, 2022, around 34,000ish. It topped on August 16th at 34,281.
 It then Plunged 5,621, 16.3% over the next two months.

The above charts show that the Fan pattern was clearly predicting that a major top would arrive for the Industrials around 34,000, and around August 15th, 2022. In fact, the top arrived August 16th, 2022, at 34,281. The Industrials then plunged 16.3% over the next two months, from that forecasted top.

In the same newsletter to subscribers, we identified a similar Converging Fan Trend-line pattern for the S&P 500 that was predicting a top around 4,300, around August 15th, 2022. In fact, the top occurred on August 16th, at 4,325. The S&P 500 plunged for the next eight weeks from that top. See this in the next chart below. And further, at that same time, we published a Converging Fan pattern for the NASDAQ 100 that was projecting a top around 13,800 around August 15th. It topped August 16th at 13,720. See that chart below.





This Pattern suggested Wave ii's Top would be around 13,800ish, around August 16th +/- . The Top was at 13,720 on August 16th.

MACD at a Topping Position.



The S&P 500's top was on August 16th, 2022. Remarkably, The Bear Market has created a perfect Fibonacci Ratio Top to Top to Top pattern from the January 3rd, March 29th, and August 16th closing tops.

MACD at a Topping Position.

The Converging Fan Trend-line pattern for the S&P 500's August 16th top was particularly interesting as there was also a Golden Ratio occurring on that same date with the January 3rd, 2022 and the March 29th, 2022 tops, a Top-to-Top-to-Top relationship in time. That chart is shown above.

With the stock market decline from the August 16th, 2022 top underway, we searched for a new Converging Fan Trend-line pattern that would predict with accuracy the next low for the S&P 500 market. We in fact did find a pattern, projecting a bottom around October 15th, 2022, around 3,500. This Fan pattern had 7 converging trend-lines over the prior year that all pointed to this target singularity bottom of price and time. In fact, a bottom did occur on October 13th, 2022, at 3,491, an incredible projection hit for date and price level. The S&P 500 has rallied sharply from that bottom. We show that forecast and result in the next two charts.



Here, we show 7 trend-lines connecting tops or bottoms over the past year, that are all pointing to the same approximate level and date for a coming low in the Bear Market .

The chart below shows that this downside price target hit 3,500 on October 13th, 2022.



So, with that projection's accuracy, we searched for a new Converging Fan Trend-line pattern to forecast a likely projection top for the rally from October 13th, both price level and date. We came across a pattern for both the Dow Industrials and the S&P 500, and presented those to our subscribers in an October newsletter. The pattern was forecasting the rally to last into mid-November for both stock indices, and that the rally should rise to 34,000 in the Industrials, and 4,000ish for the S&P 500.

In fact, the Industrials rose to 33,987 on November 15th, 2022, and rose to 4,028 for the S&P 500, also on November 15th. We show those charts below.



There is an 8 trend-lines fan converging at a singularity around 34,000ish, in early November, pointing to a top for Intermediate degree wave 2-up.

So far, it hit 33,987 on November 15th, precisely on the recent Bradley model turn date.

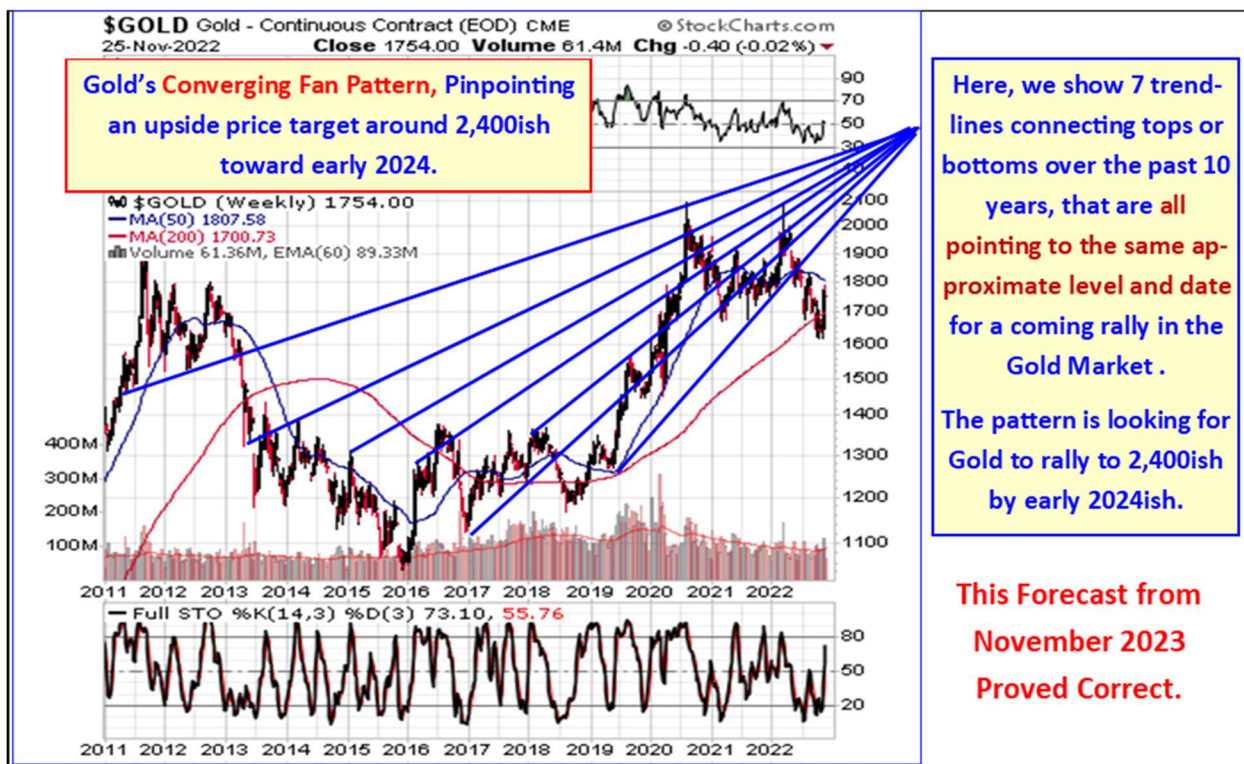


There is a 7 trend-lines fan-converging at a singularity around 4,000 +/-, and around early November, pointing to a top for Minor degree wave 2.

It reached 4,028 on November 15th, which is also a Bradley model turn date.

Now, let's share with you a Converging Trend-line Fan pattern that predicted a huge rally to come in Gold. When Gold was only trading at

1,754 on November 25th, 2022, we identified a Fan pattern predicting that Gold was about to rise above 2,500.



Here, we show 7 trend-lines connecting tops or bottoms over the past 10 years, that are all pointing to the same approximate level and date for a coming rally in the Gold Market .

The pattern is looking for Gold to rally to 2,400ish by early 2024ish.

This Forecast from November 2023 Proved Correct.



Here, we show 8 trend-lines connecting tops or bottoms over the past 10 years, that are all pointing to the same approximate level and date for a coming rally in the Gold Market .

The pattern is looking for Gold to rally to 2,500ish by late-2024ish to mid-2025ish.

Above we see a Converging Fan Trend-line pattern for Gold, with 8 trend-lines connecting prior tops or bottoms over the prior 10 years, all pointing to a future singularity in price and time, of approximately 2,500ish by late-2024 into mid-2025. It proved accurate as Gold rose above 2,500 by late 2024.

We continue to discover remarkable new Converging Fan Trend-line patterns for the Industrials, the S&P 500, the NASDAQ 100, Gold, and Silver, that give projected tops and lows, both in date and price level. We continue presenting them in our daily and weekend newsletters to our subscribers at www.technicalindicatorindex.com

If you would like to become a subscriber and see these remarkable patterns with their forecasted price level and date projections, simply go to our website, and click on the **Subscribe Today** button at the upper left of the home page. We are currently running **Incredible discounted subscription deals. Give yourself the investing advantage, know where markets are headed before they get there.**

At Dr. McHugh's www.technicalindicatorindex.com we track the short-term waves that make up these larger degree trends, and chart them in our forecast newsletters, and have developed several proprietary Buy/Sell indicators that help us identify when the next significant move is starting for the major stock indices, as well as for Gold, Silver and Mining stocks, and in which direction the move will develop. We publish these indicators in every Newsletter to subscribers. We offer education on how to trade markets up or down, based upon these indicators, patterns, and the overbought / oversold conditions that they identify with our Platinum Options and Silver ETF Trading

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