

A Major Stock Market Top is Imminent

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A major stock market top is imminent. Let's take a look at several pattern charts and other evidence warning the next strong stock market decline is fast approaching.

First let's consider the Volatility Index. The VIX is suggesting a large stock market decline is coming.



The Volatility Index is completing a declining Bullish Wedge. This is suggesting a rise in the VIX to at least 23, a level associated with a stock market decline of some significance.

The Industrials, S&P 500 and NASDAQ 100 are completing large Megaphone topping patterns from 2017. They are very close to topping. This is an important top and could occur over the next 7 to 10 trading days. There is a Bradley model cycle turn date scheduled for July 23rd +/- a few days. Further, there is a Fibonacci Cluster turn window over the next seven trading days, as there are six former large tops or bottoms a Fibonacci number of trading days from this window, suggesting a major turn is imminent. In the present case, this will be a top.



In the above chart we have annotated two patterns, a dangerous warning from a multi-decade Jaws of Death pattern (downward sloping black line with rising blue line), confirmed by a simultaneous multi-decade massive Rising Bearish Wedge pattern (blue boundary lines). These patterns are finishing here in 2019.

This Rising Bearish pattern is Cycle degree wave V-up, which will

complete Supercycle degree (V) up and Grand Supercycle degree wave {III} up. Both the Megaphone Jaws of Death and the simultaneous Rising Bearish Wedge pattern have the same downside price target, 4,000, with lower potential. It may take several years to reach that downside price target, as the next great Bear market unfolds.

This concluding Rising Bearish Wedge pattern is telling us that the rally from December 24th, 2018 is the final subwave (E) up to complete this ominous Bearish Wedge.



Above we show a close-up of the large Megaphone topping pattern for the Industrials that started in 2017. This pattern is completing its wave (E) up move. Stocks are inside a three wave rally leg from December 24th, 2018. The final subwave C-up is completing now, which will finish this pattern.

This top could be the completion of the Bull market from 2009.

Interestingly, the Dow Industrials are also finishing a fractal Megaphone topping pattern from January 2019, shown in the next chart, a smaller mirror pattern inside the completing larger Megaphone topping pattern, both with the same upside price target window from 27,250 to 27,500ish.

The S&P 500 and NASDAQ 100 both are completing similar large Megaphone topping patterns from 2017, with upside price targets in the range of 3,050 to 3,100 for the S&P 500 and 8,100ish for the NASDAQ 100. Those averages should also top over the next week or so.



The final portion of this smaller Megaphone topping patterns is a small termination top Rising Bearish Wedge pattern, shown next. This pattern is nearly complete.



Other evidence is building for a coming stock market decline. There are Bearish divergences between major stock indices and their 10 day average Advance/Decline Line Indicators. There is also a 10 observation Hindenburg Omen on the clock through September 2019.

Once the top is in, our key indicators, including our important and correlative short-term Purchasing Power Indicator and intermediate term Secondary Trend Indicator will move to a new Sell signal.

Gold is on a trek toward 1650, with corrective declines along the way. Gold could provide a safe haven once stocks begin their coming decline.

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