

WEEKLY
JAPANESE NIKKEI ANALYSIS

WEEKLY JAPANESE NIKKEI STOCK
MONDAY, MARCH 31, 2025
By Gianni Di Poce and Raymond Merriman

Review: The Nikkei closed last week at 37,120, down 557 points from the prior week. The close was very bearish. The close was below the weekly TIP (Trend Indicator Point) for the 7th time in 8 weeks, which means it is downgraded back to a trend run down.

Primary Cycle Labeling: This week starts the 18th week in a primary cycle measured from the November 28 low at 37,801. We are in the time band for a primary cycle trough at any time under this scenario, as primary cycles in the Nikkei have a range of 12-30 weeks. There's even a chance that it bottomed at 35,987 on March 11, which was right in the time band for a low. This low would have occurred in the 14th week of the cycle, and in a 3-star CRD zone. However, the rally off this low has been lackluster so far, so we must remain open to a drop to new lows in the next 2 weeks.

There's also the concern surrounding the "bearish left translation" in this cycle from November 28. Prices peaked in the 4th week on December 27, and have been declining ever since. This warns of further downside risks in the Nikkei. In the event March 11 was a low, we're looking at a potential major or primary cycle crest being complete on March 26 at 38,220. This occurred in the 3rd week of the cycle, which is good timing for a major cycle crest as these cycles last 4-7 weeks in this market. But if it's going to be another bearish primary cycle, it could even be the primary cycle crest. In bearish cycles, primary cycle crests often happen between weeks 2-5.

When not breaking down into three major cycles lasting 4-7 weeks, the primary cycle can break down into half-primary cycles lasting 7-11 weeks. Half-primary cycles occur with two-phase patterns, while major cycles happen in three phase patterns. There are even combination patterns where both occur.

Under an older cycle scenario, we're looking at a major or half-primary cycle bottomed in the 7th week of the cycle on January 17 at 38,055. This means we're in the 11th week from this low, and unless March 11 was the bottom, we have a strong signal that this primary cycle is a two-phase pattern in the Nikkei. We remain in the time band for a low in the half-primary cycle as well.

It could even be that the 7-11 week half-primary cycle occurred with the 38,401 low on February 3, the 10th week. It would have unfolded as a double bottom to the first major cycle low of January 17, and part of a "combination" primary cycle pattern underway. In this case, NKC would start the 8th week of the second 7-11 week half primary cycle, with its next low due within

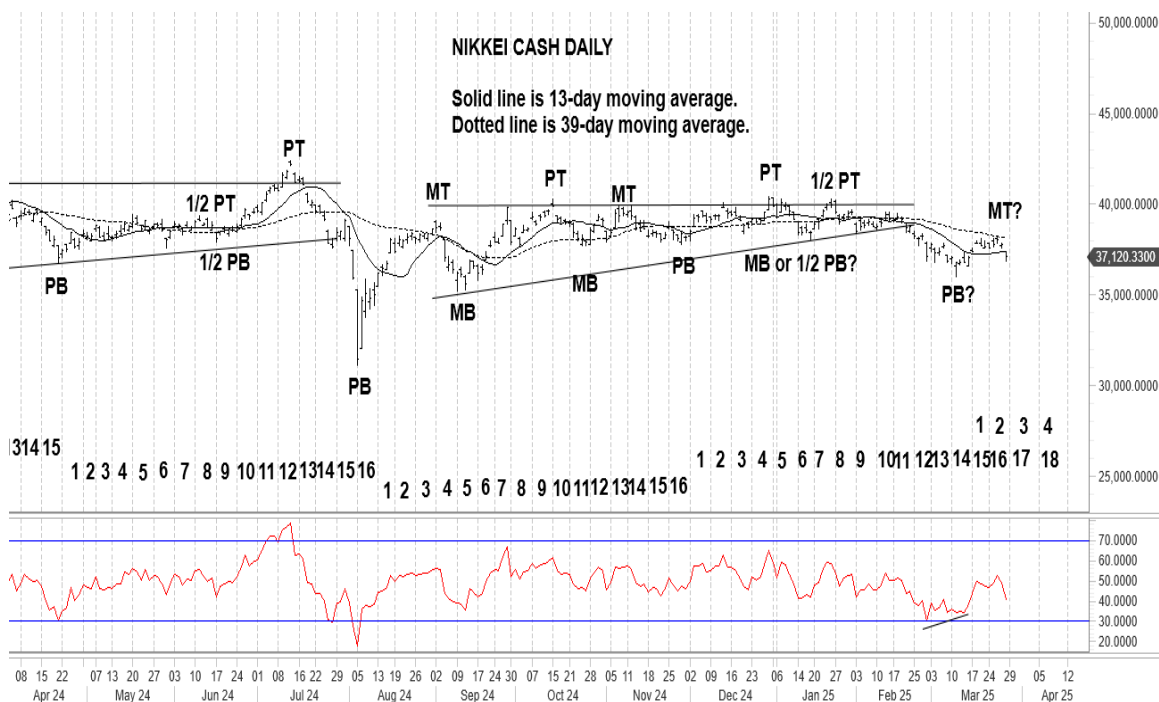
3 weeks. This means we have cyclical overlap for a bottom under an older primary cycle if it didn't occur on March 11.

Longer-term: April will begin the 8th month of a newer 4.17-year cycle. Otherwise,, we're now 61-months from the last 4.17-year cycle trough, and the Nikkei is falling into a long-term cycle bottom. But for this to be the case, it would have to take out the August 2024 low to the downside, which seems rather unlikely. This is not our preferred outlook since we are outside the 37-59 month window of the 4.17-year cycle.

The 26% drop to the August 2024 low aligns with the conditions needed to form a long-term cycle bottom for the Nikkei. If this low signaled the beginning of a new 4.17-year cycle, it also kicked off a 25-month cycle, now in its 8th month. We should also account for the broader 8.33-year and 17-year cycles, as 2026 stands out as a pivotal year for these extended patterns. These longer cycles have the potential to impact and override the shorter ones. But there are also concerns about the bearish left translations occurring in the primary cycle right now.

Geocosmics: As explained last week, *"With Mercury still retrograde, the Nikkei's choppiness could continue. But with a primary cycle trough due, we can't rule out the completion of a low, followed by a 2-5 week corrective rally at the least. It could even be the case that the rally last week was the fake-out from Mercury before another leg lower. Still, we could see a primary cycle trough by the time that both Venus and Mercury go direct on April 12 and April 7, respectively."* The retrograde market conditions remain evident, as many markets in addition to the Nikkei continue to chop around.

This week, we are still in the orb of the March 25-28 CRD. Neptune makes its initial ingress into Aries on March 30, which kicks off the line up of outer planetary transits coming in the next few months. There's also Mars trine Saturn on April 4 this week.



Price Objectives and Patterns: The Nikkei remains absent of a tradable price pattern at the moment. In the meantime, it's important that we see another higher-low here in the coming weeks with respect to the trend to keep bullish prospects alive. We also can't rule out that a rounding top formation is in the process of forming, but it's still too premature to consider this as a legitimate pattern. But if it does form, it could lead to the formation of a rounding top formation that leads to a drop that takes out the August 2024 low.

The Nikkei was also rejected at former-support-turned-resistance again at 38,000-39,000. This is an important line in the sand that needs to be exceeded if bulls are going to turn the tide in this market. As a result, a drop back down to 29,000-30,000 cannot be ruled out especially if it were to break back below support at 35,000-36,000.

Furthermore, Friday's price action was a gap down, below the critical 15-day moving average, and created a "bearish island reversal" pattern. The Nikkei needs to close above the gap area, or above 37,556 to negate this bearish development.

Technicals: The corrective downtrend from the past couple months continues in the Nikkei, as it's been making lower-lows and lower-highs. If it makes a higher-low above the September 9 low at 35,247, which is still possible, bulls could still turn this around quickly. We'll probably know by the time the primary cycle labeling sorts itself out.

When it comes to momentum, note that last week's high on March 26, which could be a major or primary cycle crest potentially, occurred with the RSI indicator in corrective territory between 40-60. The Nikkei hasn't registered an overbought (above 70) or oversold (below 30) reading in the Nikkei since July 2024. We're looking for the next reading in one direction or another to confirm the market's directional momentum.

Prices are back below the 13-day moving average at 37,420, and the 39-day moving average at 38,126, so it is downgraded to bearish. If prices rally above the 13-day and 39-day moving averages, it will be upgraded to fully neutral. If at the same time, the 13-day crosses above the 39-day, it will be upgraded to bullish.

Technical Support and Resistance: Weekly support is **36,442-36,583**. A weekly close below **36,442** will be bearish. A trade below 36,442 and a weekly close back above **36,583** would be a bullish trigger. Weekly resistance is now **37,798-37,939**. A weekly close above **37,939** will be bullish. However, a trade above 37,939, followed by a close back below **37,798**, would be a bearish trigger.

The weekly trend indicator point (TIP) is now **37,306**. The weekly TIP will be upgraded back to neutral if it closes above there this week. We expect this to happen in the next 4 weeks.

Bullish crossover zones remain at 33,732-34,457, **29,565-30,084**, 27,948-28,034, 26,997-27,025, 25,682-26,005, 24,777-24,862, 23,289-23,679, 22,649-22,868, 20,749-21,192, 17,266-17,847, 15,546-15,882, 14,813-14,919, 11,761-11,949, 10,544-10,622, 10,114-10,193, 9164-9247, 8697-8738, 8280-8441, and 8123-8167. These are all support zones now.

A bearish crossover zone recently formed at 37,978-38,319, which held last week's high and is therefore still formidable resistance. It closed above others previously at 32,931-33,124, **29,638-29,897**, 29,352-29,466, 27,982-28,368, 26,856-27,278, 25,682-26,741, 23,289-23,399, 22,160-23,078, 22,276-22,579 and 16,069-16,347, and 14,813-15,024, so these all act as support now.

Strategy for this week: **Position traders** are long with a stop loss on a daily close below 35,619.

Aggressive traders are long with a stop loss on a daily close below 35,619.

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