

MONTHLY CHINA SHANGHAI CYCLES REPORT

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MMA MONTHLY CHINA SHANGHAI CYCLES REPORT For June and July

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REVIEW:

The Shanghai Composite (SSE) completed a notable higher-low with respect to the trend over the past month. Prices corrected from the multi-year high of May 14 at 4258 into a low on June 8 at 3927, before commencing a smart rally. Overall, the bullish posturing in this index continues, and we could be on the verge of a massive acceleration in bullish momentum.



Prices ended last week at 4031 and appear to have completed a rare but powerful "island reversal" pattern. More on this below. It would seem as though global macroeconomic conditions and the geopolitical situation are improving near-term, which lines up nicely with some of the geocosmic signatures in the next couple of months. The Chinese government remains accommodative, as the

People's Bank of China encourages lending among banks while also increasing its gold reserves. If oil conditions remain stable, it would be an additional tailwind for the Chinese economy as well.

LONG-TERM CYCLES

The Shanghai Composite Index's long-term outlook begins with the 5.5-year cycle. It last bottomed on February 5, 2024, and 7 months later, a secondary, higher-low occurred on September 18, 2024, at 2,689. This pattern is often observed 6–22 months after an important long-term cycle low. The year 2026 only marks the 2nd year of a 5.5-year cycle in the SSE, so there is still time for this rally to continue.

The 5.5-year cycle lasts 77 months. The February 5, 2024, low was 64 months after the October 2018 low and fell within the regular time band for a bottom. July will commence the 29th month of this 5.5-year cycle. Time remains for this cycle to form new highs, too, but from a long-term standpoint, considerations should be given for a potential crest forming. However, the weight of the evidence suggests the high is not yet complete.

The Shanghai Composite keeps pushing into the key technical resistance zone of 4000-4500. As long as the SSE stays above 3700-3800, the trend is solidly in favor of the bulls. It looks like it may reach the top of the upside price target near 4500, and even higher. Note how the drop into the March 23 low was a simple retest of the breakout of a long-term trendline drawn off the October 2007 and June 2015 highs.

INTERMEDIATE-TERM CYCLES

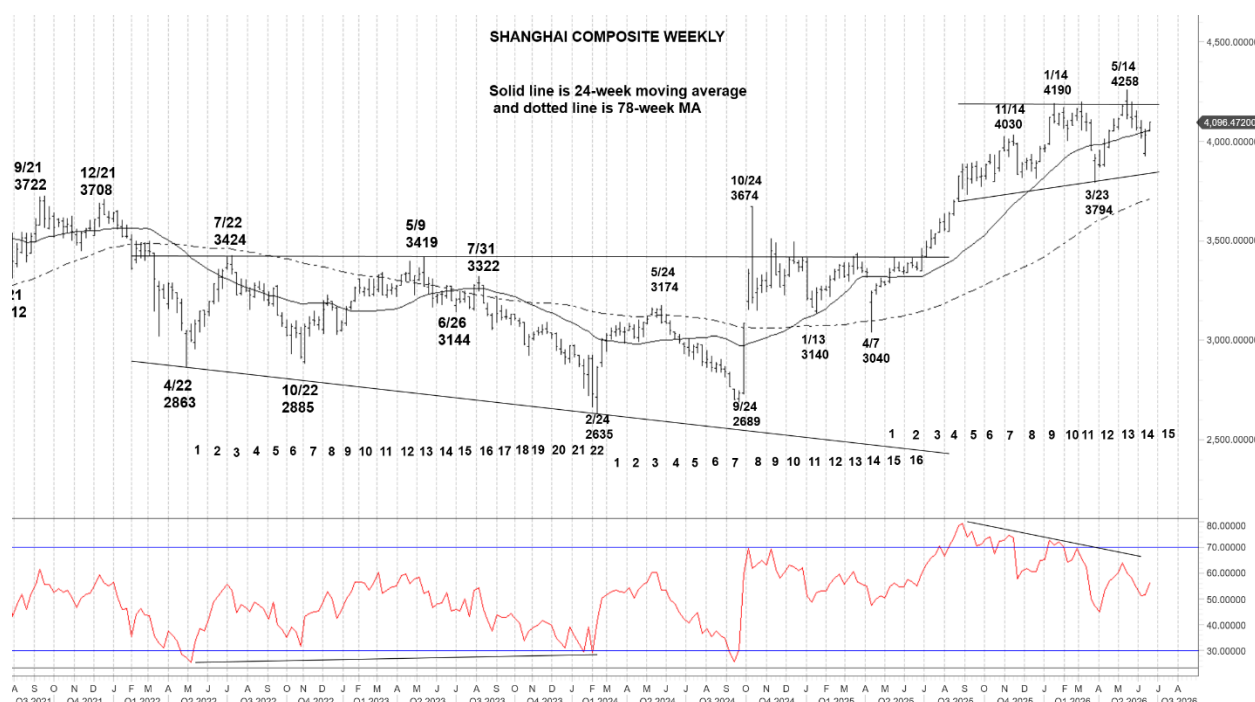
The 5.5-year cycle is made up of either three 22-month cycles, two 33-month cycles, or a combination of both. The last 5.5-year cycle exhibited two 33-month phases, with one low in July 2021 (33 months after October 2018) and the other in February 2024 (31 months following July 2021).

July starts the 29th month of either the first 22-month cycle phase or the first 33-month cycle phase of the Shanghai Composite, measured from the low in February 2024. However, a strong case is being made that a 22-month low occurred on March 23 at 3794, in what would have been 25 months from the February 2024 low. This would have been right on time, and in the regular range for a low. It would also mean that July starts the 4th month in a newer 22-month cycle, although the 33-month possibility cannot be ruled out yet completely either. If the Shanghai Composite is going to fall to a 33-month low, it would be due in November +/- 5 months. We are just entering that time band now.

The 22-month or 33-month cycles then break down into 50-week cycle phases. The 22-month cycle exhibits two 50-week phases, whereas the 33-month cycle exhibits three 50-week phases. If a 22-month cycle low formed on March 23, then the crest would've been on March 3, 2026, during the second 50-week cycle phase within the 22-month cycle, in the 46th week. It was followed by a 3-week drop to the March 23rd low. The 50-week cycle usually lasts 34 to 67 weeks, and the March 23 low would've been 49 weeks from the April 7, 2025, low, right in the regular range. Therefore, the week of June 15 would start the 12th week of a new 22-month and 50-week cycle in the SSE. Plenty of time still exists for new highs to form.

As also explained, "... there's a scenario where a drop into a 16-month phase cycle low relative to the greater 33-month cycle is playing out as well. June would be the 14th month in this case, which could set the SSE up for a sustained drift or correction into the summer months. This isn't the bias at the

moment, but a possibility nonetheless." No change here, except that July would be the 15th month measured from the April 2025 low. Should this scenario play out, the next 16-month bottom would coincide with the 33-month cycle low.



THE PRIMARY CYCLE

The week of June 15 starts the 12th week in the primary cycle, measured from the March 23 low at 3794. This low, which began the cycle, occurred in the 13th week from the December 16 low at 3815. It was right on time because primary cycles last 13-20 weeks in the Shanghai Composite. It was also the first primary cycle phase within the greater 50-week cycle, so the expectation is for it to be bullish. So far, the cycle high occurred in the 7th week, and primary cycles that are bullish tend to rally beyond Tuesday of the 9th week, so new highs are still expected. We're only a week away from the orb of a primary cycle low, and would expect one within the next 8 weeks, but odds don't favor the primary cycle crest being complete already.

The primary cycle breaks down into phases, including half-primary cycles that last 7-11 weeks and major cycles that last 4-7 weeks. Half-primary cycles occur in two-phase patterns, while major cycles unfold in three-phase patterns. Combination patterns unfold when both patterns occur within the primary cycle. A major cycle low formed on April 29 at 4061, in the 5th week of the primary cycle. Then, another major or half-primary cycle crest formed on May 14 at 4258. Prices then dropped into what looks to be either a major or half-primary cycle trough on June 8 at 3927. The duration and magnitude of the decline lend credence to the idea that it was a half-primary cycle low, but it was still 6 weeks from the previous major cycle low on April 29. As explained last month, "... there's a chance the May 14 high at 4258 was a half-primary cycle crest, and in that case, a low would be due at any time between this week and the week of June 8. With the CRD of May 25 approaching, the bias is for it to happen this week or next. The decline in this case could be steep, giving back as much as 45%-85% of the rally from March 23 to May 14. That would equate to 3864-4050." The June 8 low was right there at 3927. Thus, a three-phase or combination

pattern looks to be underway here, with the week of June 15 starting the 1st week in either the third and final major cycle phase or the second half-primary cycle. The main difference here is that, if this is the third and final major cycle, there is a good chance the May 14 high was also the primary cycle crest, and the current rally will be corrective, maybe even testing the May 14 high before falling to a primary cycle low. If this is instead the beginning of the second half-primary cycle, new highs above May 14 are a solid bet before this primary cycle tops out.

The multi-year high on May 14 was followed by another higher-low on June 8. In theory, this reinforces the Basic Trend Indicator for the bulls again, but the May 14 high must be exceeded to maintain its integrity. There is still time left from a cyclical standpoint for this to be achieved, too.

With respect to moving averages, it is downgraded to neutral. Prices are above both the 15-day and 45-day moving averages, but the 15-day is below the 45-day. If prices close back below the 15-day moving average, it will be downgraded to neutral, turning bearish. If it closes above both moving averages, it will only be upgraded to bullish if the 15-day moving average crosses above the 45-day moving average with prices above both.



There are a couple of price patterns to consider here as well, first, with the weekly chart. Prices are still consolidating within the ascending triangle formation. These are continuation patterns, and the trend remains up. Prices need to close above the upper horizontal trendline of the pattern to confirm a breakout, which would then project a move as high as 4700-7520. On the daily chart, there's now a descending price channel, which is also a continuation pattern. Prices are pressing into the upper trendline of the pattern, and if this clears, it should lead to a rally back to at least the 4150-4200 zone. The bullish MCP target at 4951 +/- 136 should also be kept in mind here, too. But as mentioned above, a powerful island reversal signal just printed on the daily chart, with Friday's close above 4027. The gap up and close higher this past Friday left an "island" of prices four days in length behind. This is a pattern that often

presents itself during important technical bottoms, especially when in the time band for a cyclical low. This supports the idea of another rally just getting started in the SSE.

As stated last month and still the case as well, *"The path of least resistance remains higher in the Shanghai Composite as long as it holds above the 3700-3900 level. This coincided with the March 23 low at 3794, too. Given how young the 50-week cycle still is, an upside target at 5180-5200 is in play now, too."*

When it comes to momentum, the June 8 low checks a few important boxes. First and foremost, the RSI never fell into oversold territory (below 30) on the daily chart following a multi-week decline. In other words, bears were never able to truly seize momentum from the bulls. And on the weekly chart, it's right in the 40-60 corrective range where important lows often form within nice uptrends. In either timeframe, an overbought reading (above 70) would be ideally achieved in the coming weeks to confirm bullish momentum.

GEOCOSMICS

The quiet geocosmic period continues this week, with only a couple of Venus signatures. The first is Venus trine Neptune on June 16, followed by Venus opposite Pluto on June 17. The next CRD is on June 26-29, where there's Venus trine Saturn (June 25), Mars ingressing into Gemini (June 28), Mercury Rx (June 29-July 23), and then Jupiter's ingress into Leo (June 30). There are other CRDs on July 6 and July 17-20, which either could coincide with a primary cycle crest if May 14 wasn't it. The July 6 CRD features Mars trine Pluto (July 5), Sun square Saturn (July 6), and Neptune retrograde (July 7). Venus also ingresses into Virgo on July 9.

However, the July 17-20 CRD may be the most exciting of the year. It starts with Venus square Uranus on July 13, followed by Uranus sextile Neptune (July 15), Uranus trine Pluto (July 18), Jupiter trine Neptune and opposite Pluto (July 20). Mercury then goes direct on July 23. In theory, a primary cycle crest or trough could occur in the July 17-20 CRD – the primary cycle may blow off into an irrational exuberant top.

Legend on Daily Charts:

PB	=	Primary Cycle Bottom	½-PB	=	Half-Primary Cycle Bottom
PT	=	Primary Cycle Top	½-PT	=	Half-Primary Cycle Top
MB	=	Major Cycle Bottom	MT	=	Major Cycle Top
TB	=	Trading Cycle Bottom	TT	=	Trading Cycle Top

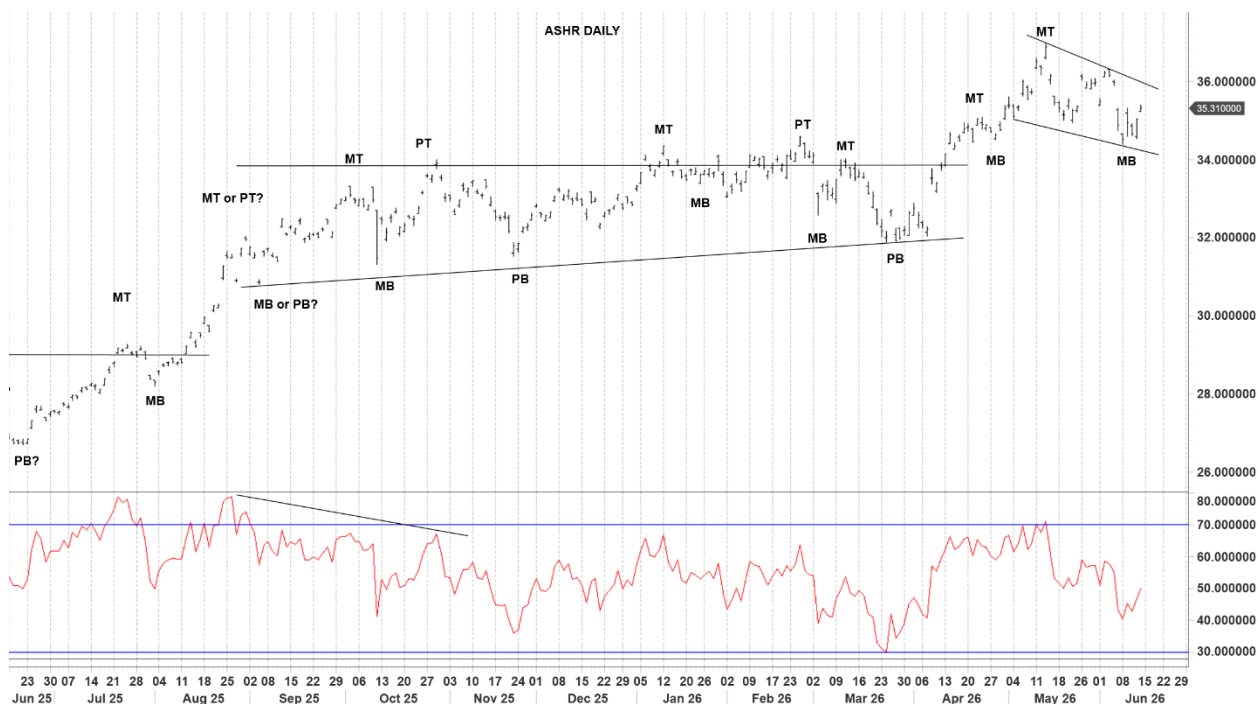
Geocosmics and CRDs

The forthcoming critical reversal dates are below (allow a 3-day trading orb). Allow up to four trading days on either side for the cycle low or high to be completed, then reverse.

June 26-29*

July 6**

July 17-20***



STRATEGIES

Position traders are long with a stop loss on a close below 3794. Let's cover 1/3 on a rally to 4250 +/- 12 if offered.

Aggressive traders are long with a stop loss on a close below 3794 now after covering 1/3 for a nice first profit. Let's cover another 1/3 on a rally to 4300 +/- 12 if offered.

Note to subscribers who trade ETFs: ASHR is an ETF for those interested in a security that tracks the SSE closely. ASHR displays cycles similar to those of SSE, and reversal times are very similar.

ASHR is bullish above support at 33.00-34.00 (held the low), as that represents former-resistance-turned-support of the ascending triangle pattern. A rally up to 43.00-44.00 looks to be in the works now. Let's see if it breaks out from the descending channel continuation pattern.

The next MMA China Cycles report on metals (Gold, Silver, and Copper) will be issued on July 8. The next MMA China Cycles report on the Shanghai Composite will be issued on July 14.

JUNE-JULY SOLAR/LUNAR REVERSAL DATES BY YATING HU, MMA ANALYST

The solar-lunar study was designed to identify correlations between Sun-Moon sign combinations and the short-term reversals in the Shanghai Composite (SSE). The study covered 8,551 trading days in effect between December 19, 1990, and December 19, 2025.

Not all solar-lunar combinations are equally important, as certain planet-sign combinations occur less frequently than others because of weekends and holidays. Weighted values are used to address this. A weighted value score of each Sun-Moon sign combination is determined by comparing the percentage

of times where SSE made a high or low then reversed at least 5.5% to the percentage of times in the baseline group. The higher the weighted value, the more important it is. A weighted value of 100 means the criteria were achieved as expected. Weighted values in green are over 120, meaning the signature is 20% more often than the norm value of 100. Weighted values in yellow are between 150 and 200 (at least 50% above the norm of 100). Weighted values in red are over 200 (at least 100% above the norm of 100).

The table below shows the weighted values of the Moon sign at noon in Shanghai. The overall weighted value column shows that 5.5% or greater reversal from a high or low in SSE is likely to occur when Moon is in Aries. The next two columns display the weighted values for highs or crests (High_WV) and lows or troughs (Low_WV), respectively. The last column, Big_Range_Day_WV, shows the weighted values for "Big Range Days", where the difference between high and low is at least 3.5% of the value of the low on that day. This helps to identify days with a large trading range.

Planet	Sign	Overall_WV	High_WV	Low_WV	Big_Range_Day_WV
Moon	Aries	121.14	129.01	112.88	113.13
Moon	Taurus	78.02	81.78	74.00	80.66
Moon	Gemini	94.57	105.75	83.09	90.84
Moon	Cancer	91.93	95.60	87.95	117.52
Moon	Leo	110.46	95.07	125.50	99.09
Moon	Virgo	101.17	101.00	101.00	96.22
Moon	Libra	100.25	94.42	105.75	85.79
Moon	Scorpio	83.73	89.17	78.03	93.09
Moon	Sagittarius	91.42	98.88	87.47	116.87
Moon	Capricorn	119.90	115.85	123.57	114.81
Moon	Aquarius	101.48	87.41	115.23	95.56
Moon	Pisces	108.00	107.82	107.82	96.97

Short-Term Reversal Dates in SSE

The next table displays the historical weighted values' correlation between 5.5% or greater reversals, as well as the "Big Range Days" and the Moon signs with Sun in Cancer at noon in 1990-2025. The Moon sign dates at noon when Sun is in Cancer from June 22 through July 22 are given here as well. We take these as forecasting models to project future "high probabilities" based on these past results.

Sun_Sign	Moon_Sign	Overall_WV	High_WV	Low_WV	Big_Range_Day_WV	2026_Solar_Lunar_Dates	Reversal
Cancer	Aries	129.70	127.54	131.94	120.83	2026-07-07 - 2026-07-08, Tuesday - Wednesday	Either a high or a low
Cancer	Taurus	59.04	77.41	40.04	73.34	2026-07-09 - 2026-07-10, Thursday - Friday	
Cancer	Gemini	82.42	40.52	125.75	76.78	2026-07-11 - 2026-07-12, Saturday - Sunday	
Cancer	Cancer	78.73	77.41	80.08	48.89	2026-07-13 - 2026-07-14, Monday - Tuesday	
Cancer	Leo	87.91	129.67	44.71	95.54	2026-07-15 - 2026-07-16, Wednesday - Thursday	
Cancer	Virgo	82.42	40.52	125.75	89.57	2026-07-17 - 2026-07-19, Friday - Sunday	
Cancer	Libra	139.86	157.17	121.94	74.45	2026-06-22 - 2026-06-24, Monday - Wednesday; 2026-07-20 - 2026-07-21, Monday - Tuesday	Either a high or a low
Cancer	Scorpio	106.34	125.48	86.54	118.88	2026-06-25 - 2026-06-26, Thursday - Friday; 2026-07-22, Wednesday	
Cancer	Sagittarius	96.96	76.27	118.36	108.39	2026-06-27 - 2026-06-29, Saturday - Monday	
Cancer	Capricorn	119.88	78.59	162.59	161.31	2026-06-30 - 2026-07-01, Tuesday - Wednesday	
Cancer	Aquarius	82.42	121.56	41.92	127.96	2026-07-02 - 2026-07-04, Thursday - Saturday	
Cancer	Pisces	133.78	150.34	116.64	106.82	2026-07-05 - 2026-07-06, Sunday - Monday	Either a high or a low

To optimize the solar/lunar study, it's best to have an "ideal set up". An ideal setup unfolds when the market is entering into a solar/lunar reversal time band and the previous day's high or low is being

taken out. Further, the move is at least 5.5% from a previous isolated high or low. However, in practice, a 5.5% move does not usually occur. In many cases, a 2.5%-3.5% move would be enough for a trade to work. If no ideal setup presents during the solar/lunar reversal period, don't trade based on solar/lunar study. If there's an ideal setup, look for isolated highs or lows in SSE within one trading day of these solar lunar periods, and from which prices reverse at least 2.5%-3.5% (and better if 5.5%).

The following dates are most prone to a reversal from **either a high or a low**:

Jun 22-24 (Monday - Wednesday)

Jul 6-8 (Monday - Wednesday)

Jul 20-21 (Monday - Tuesday)

The solar-lunar cycles show the probability of a "**Big Range Day**," which is good for day trading. This can be used to project a big movement between the low and high of the day in the market and indicates that the market is more volatile than usual.

Jun 30 - Jul 3 (Tuesday - Friday)

Jul 7-8 (Tuesday - Wednesday)

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Using this information properly: *Support may represent favorable risk/reward places to buy if the trend is up. If prices trade below support, then have a close back above it; it is considered a bullish "trigger," and oftentimes represents a good buy signal. Resistance may represent favorable risk/reward places to go short if the trend is down. If prices trade above it, then have a weekly close back below; it is considered a bearish "trigger," and oftentimes a good sell signal.*

These comments and trade recommendations are primarily for traders of commodity and futures contracts. They are provided mainly with "speculators" in mind. By its very nature, "speculation" means "willing to take the risk of loss." Speculators" must be willing to accept the fact that they are going to have several losses, many more than say "investors." That is why they are "speculators." Speculators are typically right about 50% of the time, +/- 10%. The way "speculators" become profitable is not so much by high percentage of winning trades, but by controlling amount of loss on any given trade, so the average trade on winners is considerably more than the average trade on losing trades. These comments can be of value to both speculators and investors. These trade recommendations will be of potential value only to speculators. Those who take these trades need to be willing to adjust stop-losses and even the trade itself, as the week unfolds, and be dependent upon technical factors that will arise with each day's trading. There is no guarantee as to future accuracy or profitability. Each trader and reader trades at his or her own risk, and neither the author nor publisher assumes any responsibility whatsoever for anyone's financial or commodity markets decisions.