

RUT/TF - On the daily chart, so far, we have a three-wave rally off Feb low, with wave 3/C having reached 0.618 extension (1238). While my preferred interpretation of this structure is that RUT is in the latter stages of wave circle-i of 3, there is potential that it is, instead, completing wave C. That potential increases in odds if what is expected to be wave circle-ii breaks 61.8% retracement of wave circle-i (level TBD based on where circle-i tops), and becomes likely with a break below June low (1085). Conversely, to make bearish setup unlikely, RUT needs to break over yellow 1.0 extension (1332). In short, 1238-1332 is now resistance; at least some downside reaction out of this zone is likely. While odds favor such downside reaction being corrective and maintaining over June low, IF June low doesn't hold, it will open up potential for a move to 868-943.

Zooming in (2hr chart), RUT has now made it to the target box set out nearly two months ago, in a structure that can be viewed as five waves up. Ideally, (v) will extend higher towards 2.0 extension at 1282, a perspective that hinges upon September 1 low (1228) holding. Break below it is now earliest indication of completion of the rally off June low, though to make it likely that any such decline is wave circle-ii and not wave (iv) in circle-i (Alt count), RUT needs to break below 1193.

On a micro scale (TF chart), structure favors yesterday's pullback to have been wave iv off Sept 1 low, with a 1-2 up for v potentially in place (though circle-2 can easily see a deeper pullback towards yesterday's low (1245.8). If so, then structure suggests that 1263 should be seen, with potential for an extension towards 2.618 fib at 1271. IF yesterday's low is broken, structure invalidates, and I will view 5-up off Sept 1 as completed. Preferred path, then, is for such 5-up to only form wave i of (v) on RUT 2hr chart, however, as discussed above, potential for completion of entire rally off June low exists and odds of such completion will increase if Sept 1 low doesn't hold.





