

Business Cycle Index 10-2-14

The BCI at 181.5 is up from last week's 180.6. The BCIG, the six month smoothed annualized growth of BCI, is at 19.6 also up from last week's upward revised 19.1.

BCI does not indicate a possible recession in the near future.

Summary 10-3-14:

The IBH stock market model is out of the market. The MAC stock market model is invested, the bond market model avoids high beta (long) bonds, the yield curve is steepening, the gold and silver models are invested. The recession indicator COMP is near last week's level, and iM-BCIG is up from last week's level. MAC-AU is invested.

Stock-market:

The IBH-model is out of the market as shown in Fig. 1. A sell signal was generated 80 weeks ago when the WLIg_shortEMA moved below the WLIg_longEMA. This signal was obviously incorrect. Another Sell A signal was generated 14 weeks ago. The IBH-model is described [here](#) and the latest rules can be found [here](#).

The [MAC-US](#) model stays invested. MAC-US Fig 2 shows the spreads of the moving averages. The sell-spread is near last week's level. A sell signal is not imminent. The sell spread (red graph) has to move below the zero line for a sell signal.

The MAC-AU model stays invested. MAC-AU Fig 2.1 shows the spreads of the moving averages of the Australia All Ordinaries Index. The sell-spread is lower than last week's level. The sell spread (red graph) has to move below the zero line for a sell signal. This model and its application is described in [MAC-Australia: A Moving Average Crossover System for Superannuation Asset Allocations](#).

Recession:

In Fig. 3 one can see that COMP is near last week's revised level, and far away from signaling recession. COMP can be used for stock market exit timing as discussed in this article [The Use of Recession Indicators in Stock Market Timing](#).

Fig. 3.1 shows our recession indicator iM-BCIG, up from last week's level. A recession is not imminent as one can clearly see.

Bond-market:

The [BVR-model](#) avoids high beta bonds (long-bonds) and also intermediate duration bonds. The Bond Value Ratio is shown in Fig 4. The BVR is up from last week's level. According to the model, only when BVR turns upward after having been lower than the lower offset-line should one consider long bonds again.

The Yield Curve:

The [yield curve model](#) shows the generally steepening trend from mid 2012 of the 10-year and 2-year Treasuries yield spread. Figure 5 charts (i10 – i2). The general trend is up, as one can see, although the yield curve has flattened recently. FLAT and STPP are ETNs. STPP profits from a steepening yield curve and FLAT increases in value when the yield curve flattens. This model confirms the direction of the BVR.

Gold:

The modified Coppock Gold indicator is shown in Fig 6. and is now invested. This indicator is described in [Is it Time to Buy Gold Again? - Wait for the buy signal](#)

Silver:

The modified Coppock Silver indicator shown in Fig 7 and is currently invested. This indicator is described in [Silver - Better Than Gold: A Modified Coppock Indicator for Silver.](#)

Monthly Updates

Unemployment

The unemployment rate recession model ([article link](#)), has been updated with the September UER of 5.9%. Based on the historic patterns of the unemployment rate indicators prior to recessions one can reasonably conclude that the U.S. economy is not likely to go into recession anytime soon.

Coppock Indicator for the S&P500

The Coppock indicator for the S&P500 generated the last interim buy signal on January 31, 2014. This indicator is described [here](#) and now signals investment in the S&P500 to the end of 2014, unless the S&P500 gains 38% over shorter period.

TIAA Real Estate Account

Currently the 1-year rolling return is 9.94%. The Vanguard REIT Index Fund is near an all time high signaling that there is further upside potential for the TIAA Real Estate Account. A sell signal is not imminent.

[Read more ...](#)

iM's Business Cycle Index (BCI)

BCIp, BCI and BCIG
updated to October 02, 2014

On past performance, BCIp = 100 can be interpreted as an average one year "time-to-live" to a recession.

Date	09/04	09/11	09/18	09/25	10/02
BCIp	100.0	100.0	100.0	100.0	100.0
BCI	177.9	178.2	178.8	180.6	181.5
BCIg	18.0	18.3	18.5	19.1	19.6

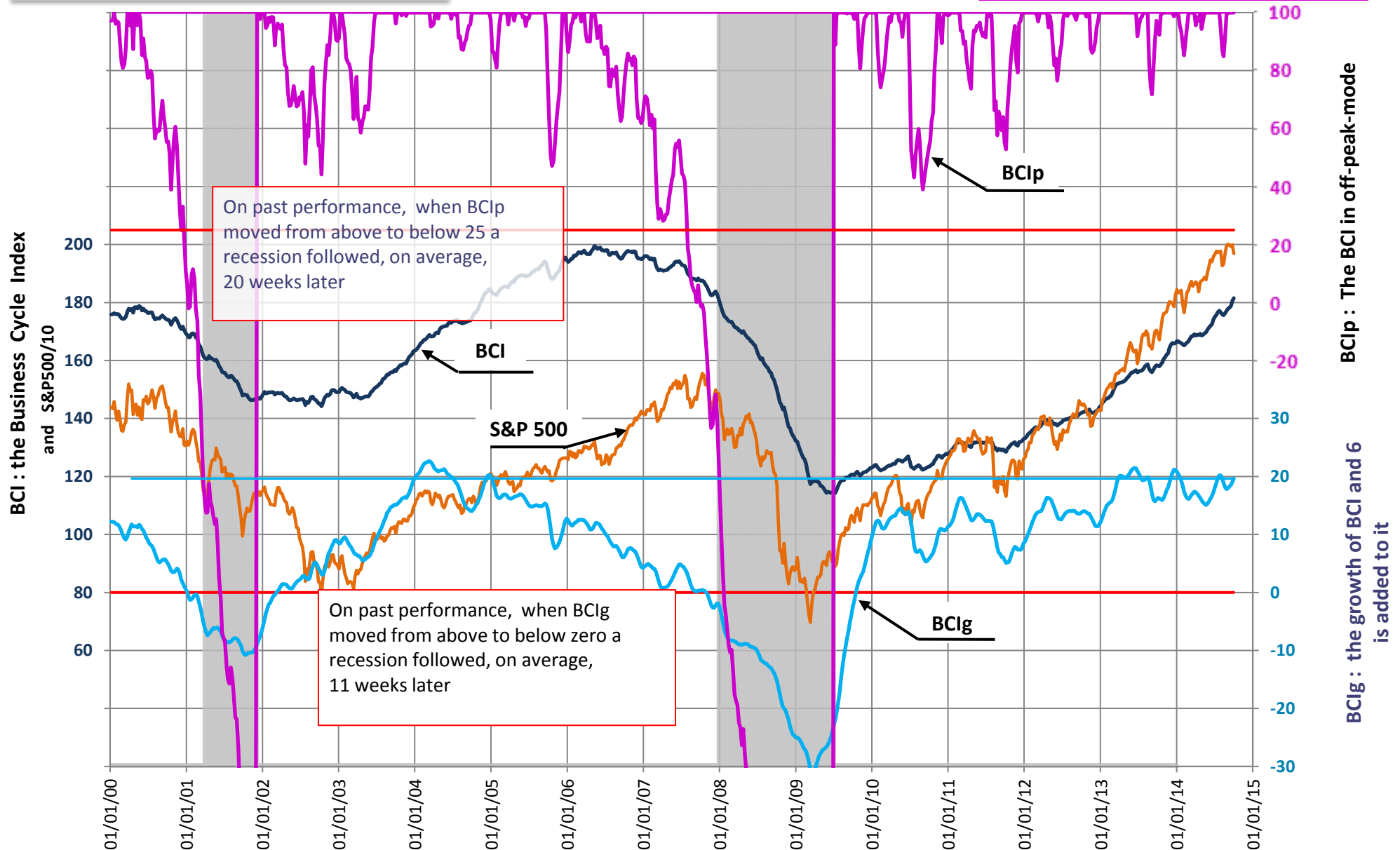
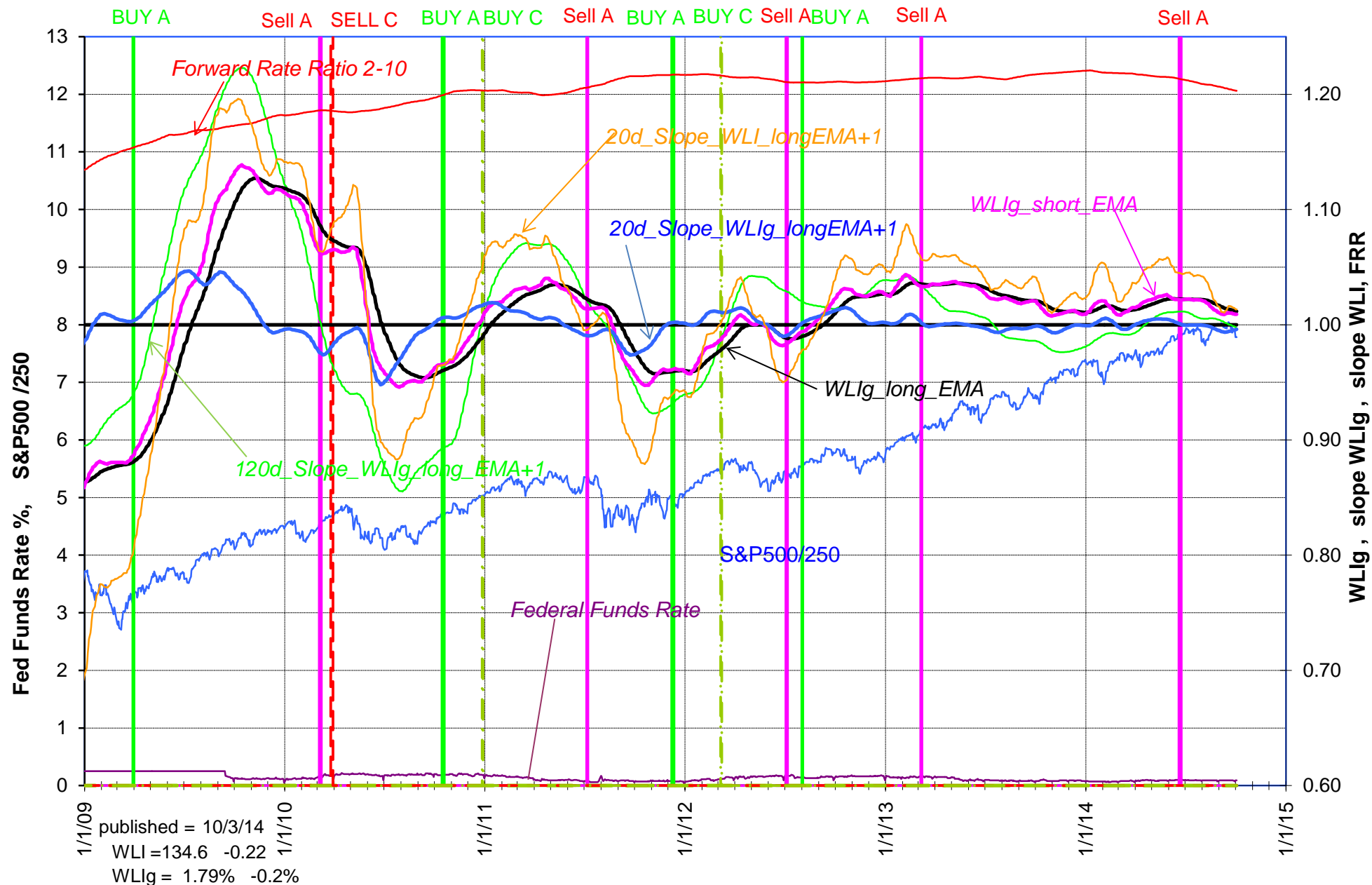


Figure 1 : 2009-14 Fed Funds Rate, S&P 500, FRR, WLlg, slope WLlg, slope WLI updated to....10/3/14

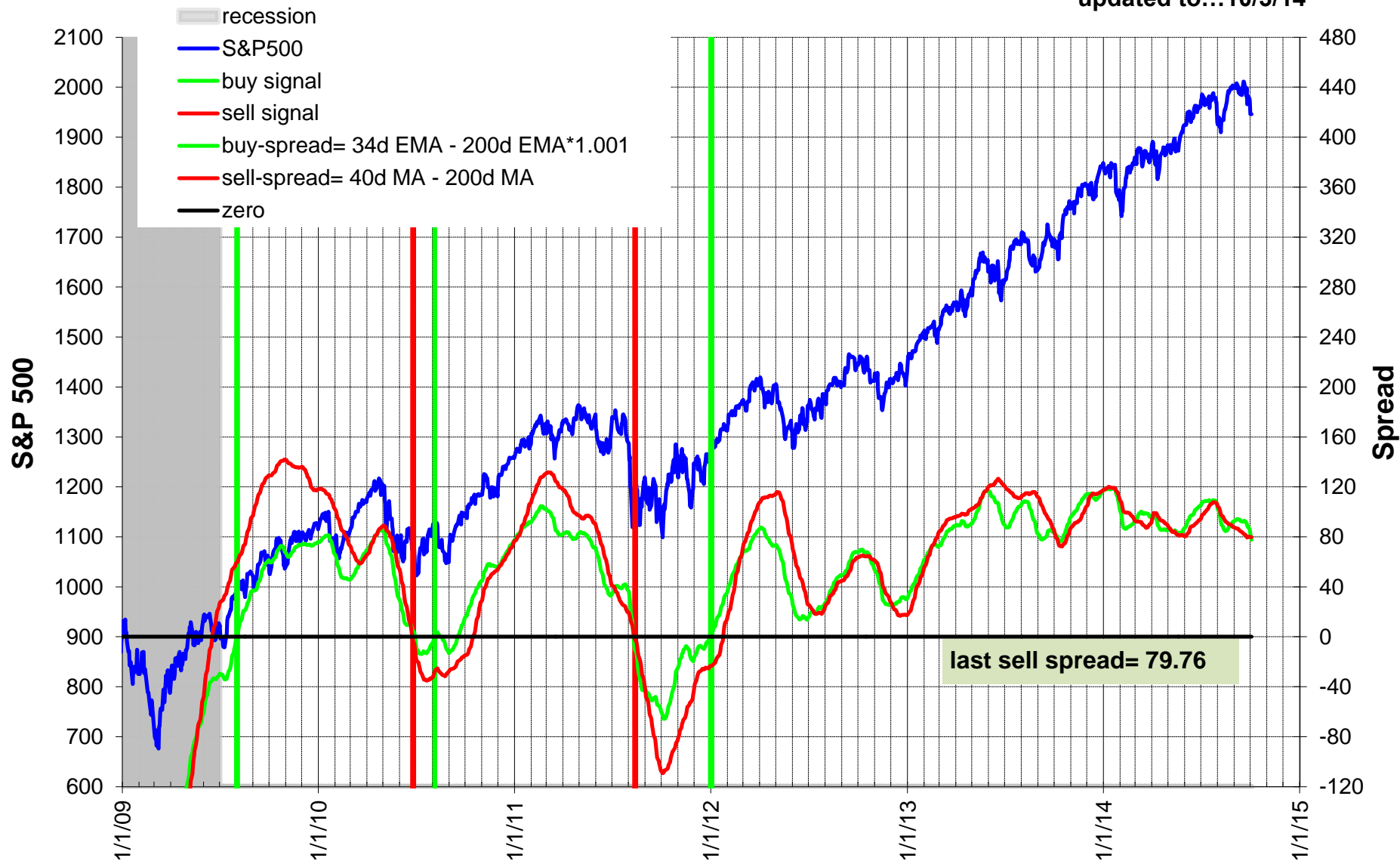


Please note: Past performance does not guarantee future returns, investments may increase or decrease in value and you may lose money using this model.

Figure 2: Buy and Sell signals for S&P 500 2009-14
from the modified golden-cross MAC system



updated to...10/3/14



Please note: Past performance does not guarantee future returns, investments may increase or decrease in value and you may lose money using this model.

im imarketsignals.com



**Fig 2.1: Buy and Sell signals for the Australia All Ordinaries Index
from the MAC-AU System**

updated to Oct-3-14

last sell spread= 162.49

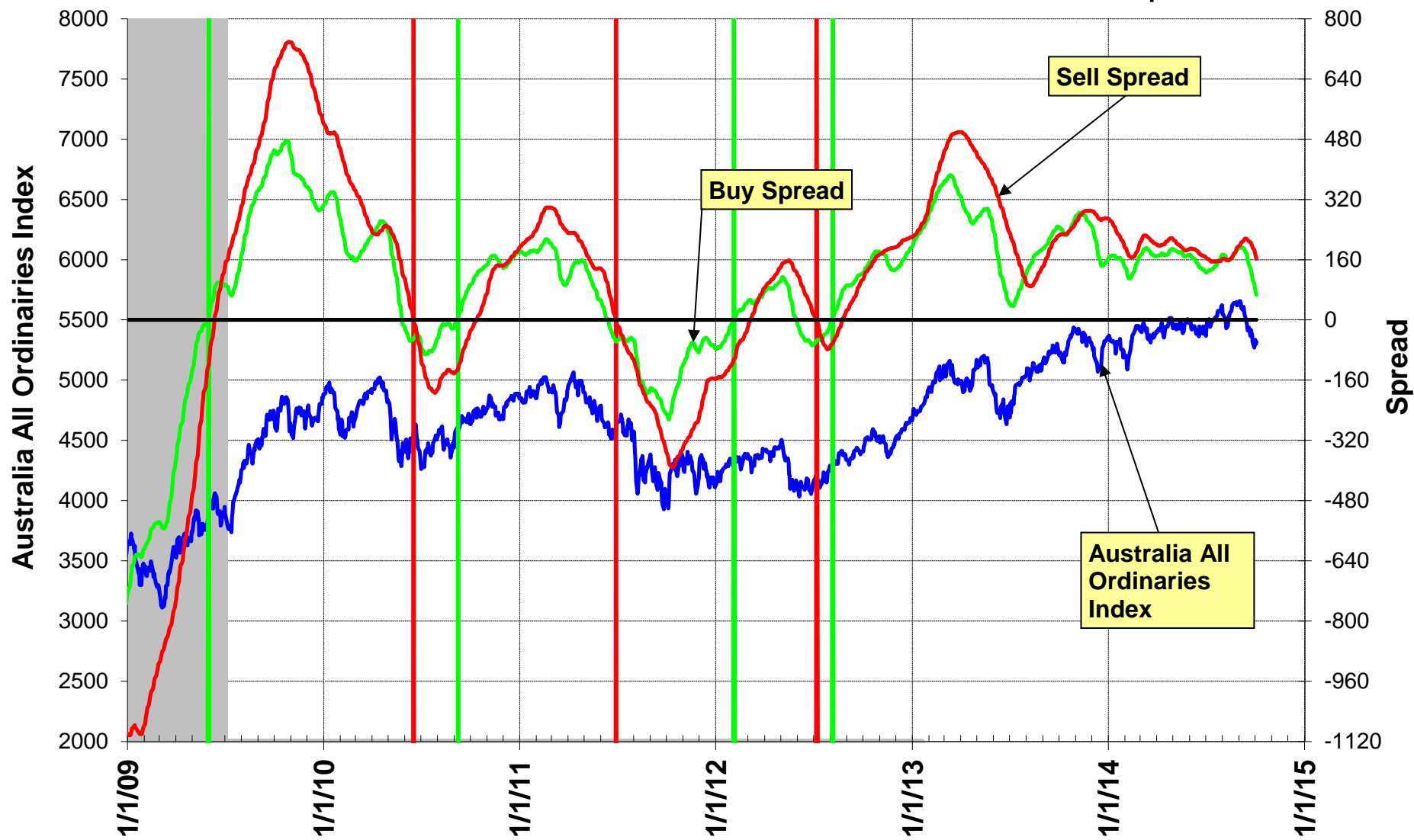


Fig. 3: COMP Leading Indicator of US Economy 1969-2014

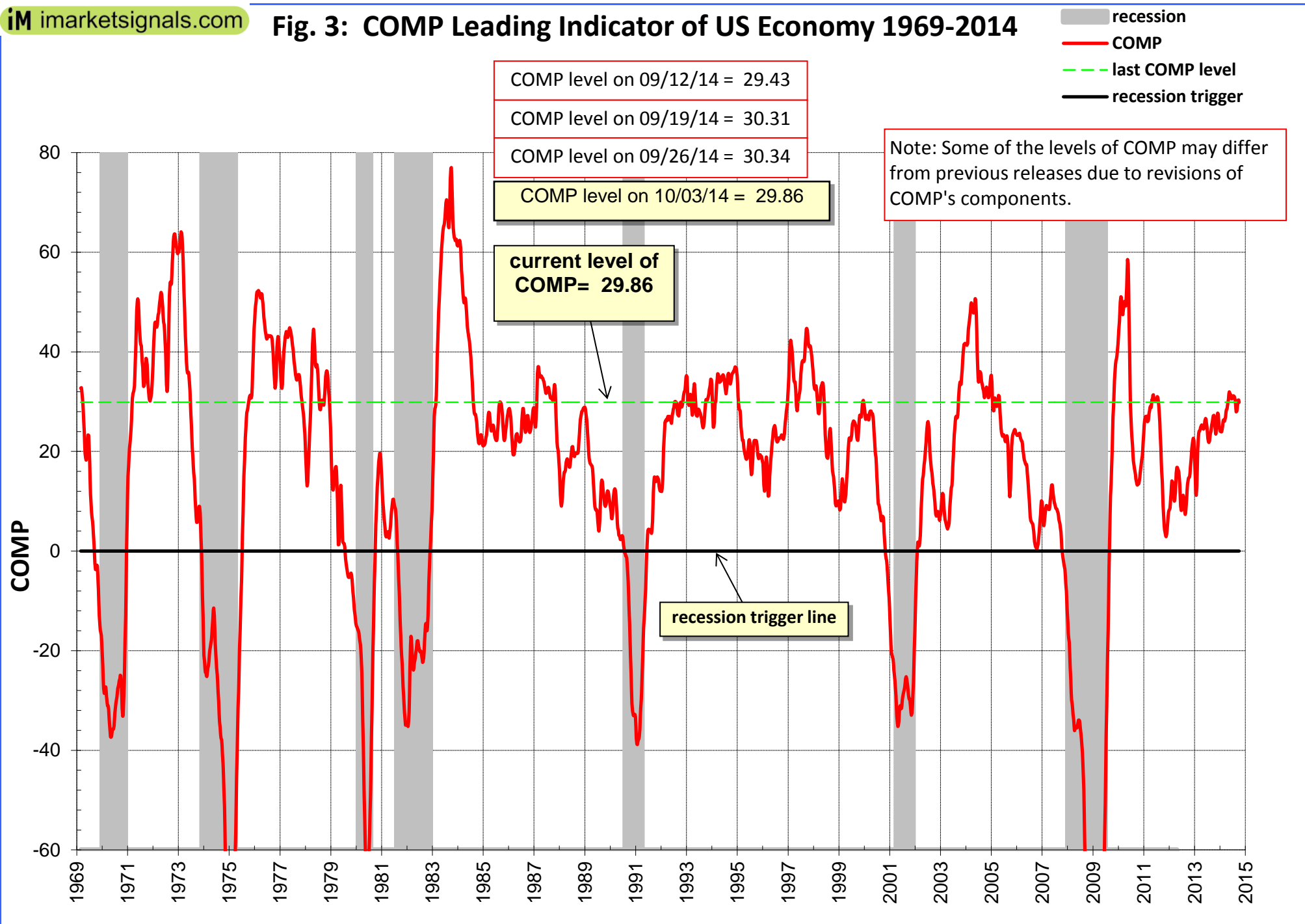


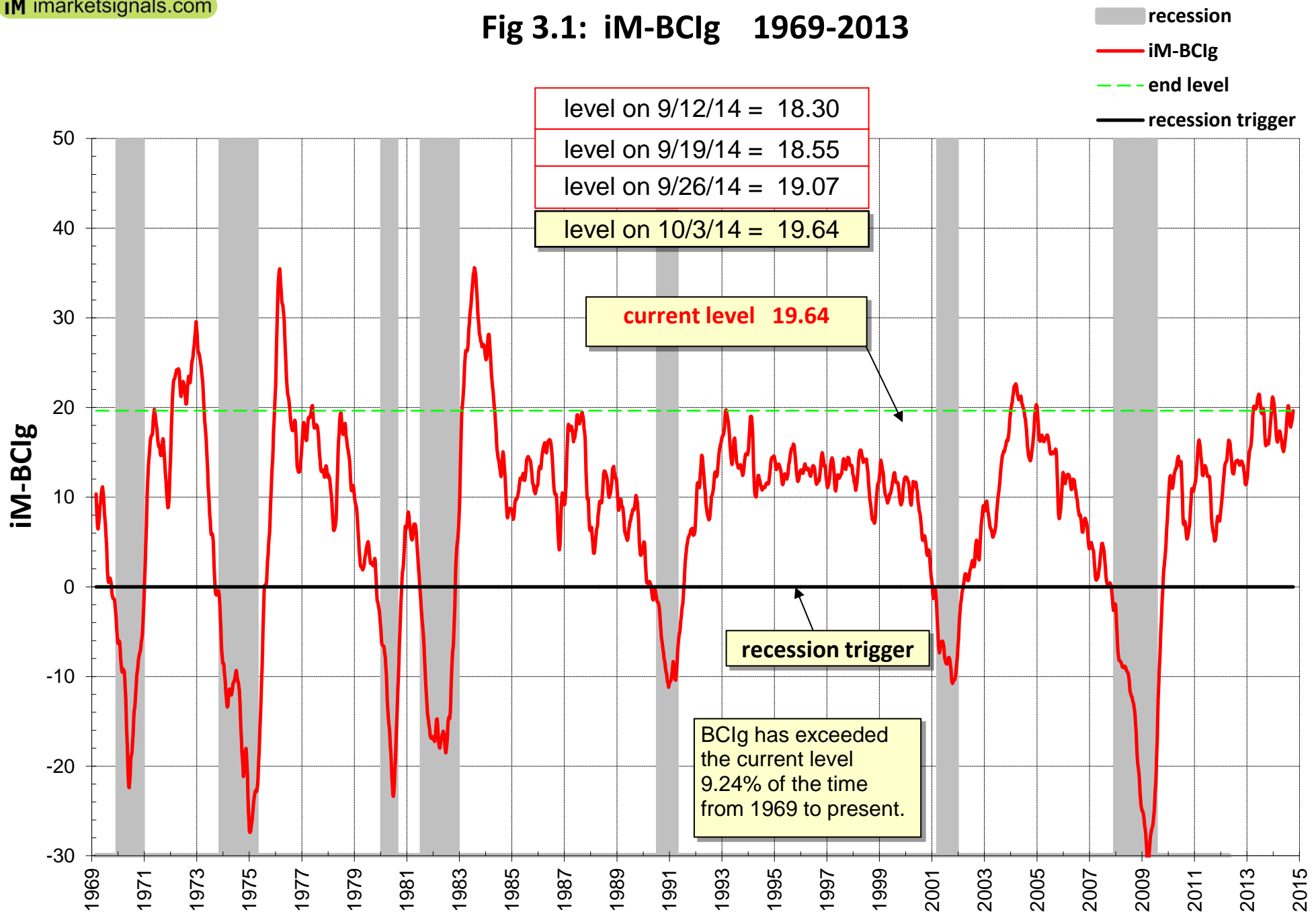
Fig 3.1: iM-BCI_g 1969-2013

Figure 4: Bond Value Ratio (BVR) from 2005 to 2014



Figure 5: $i10 - i2$ Updated to.....10/3/14

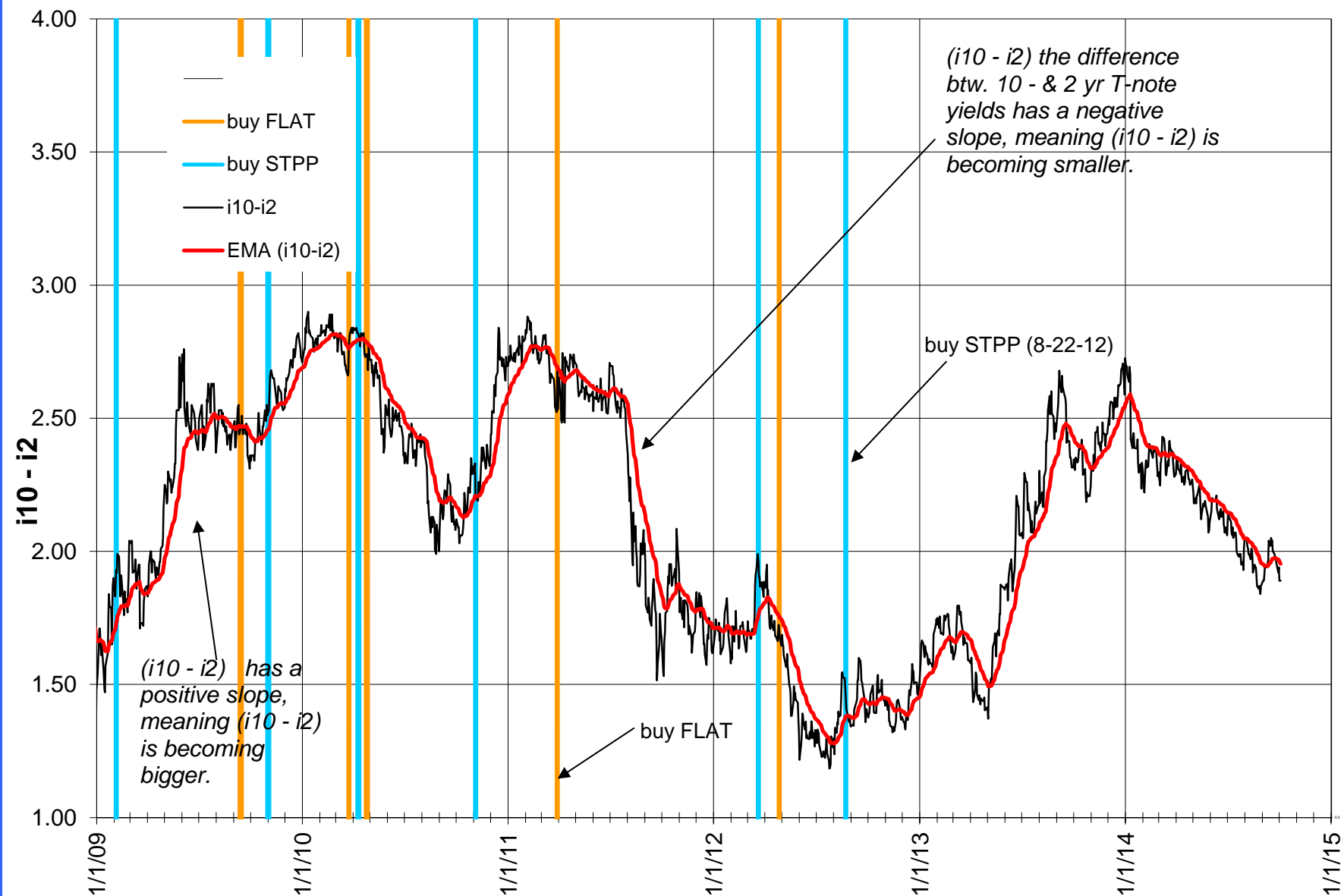


Figure 6: Modified Coppock Indicator for Gold 2005-2014

updated to 10/03/2014

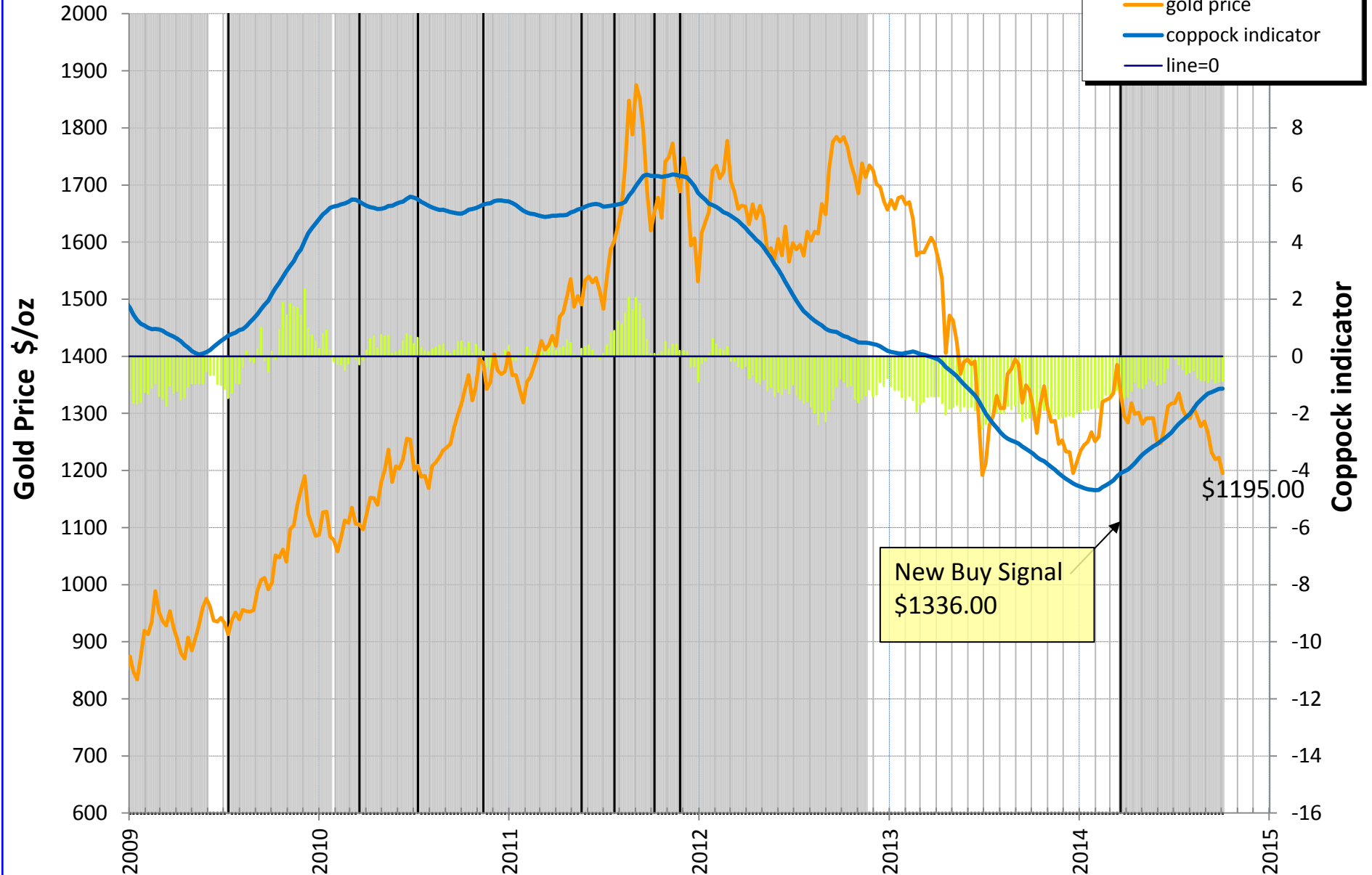
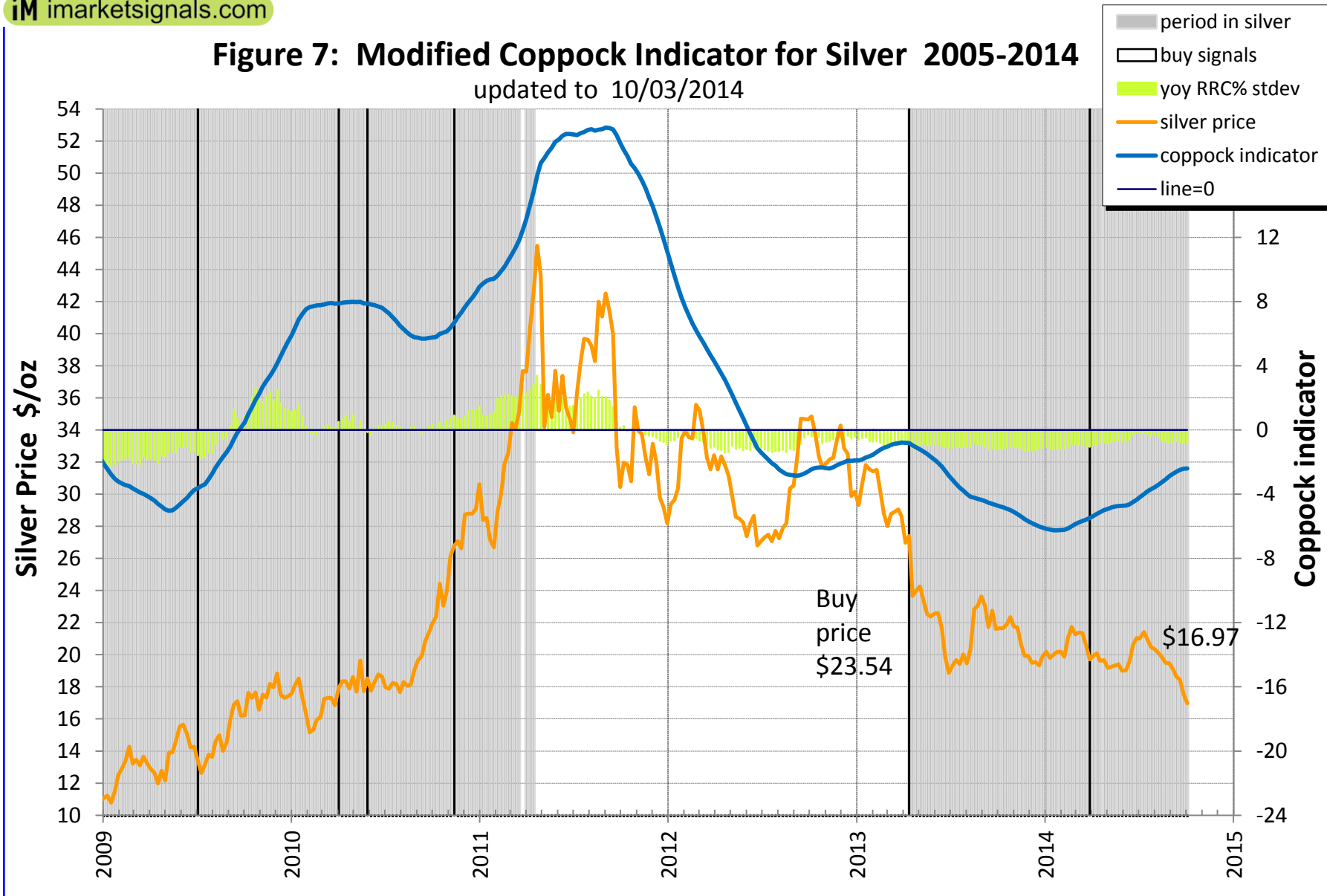


Figure 7: Modified Coppock Indicator for Silver 2005-2014

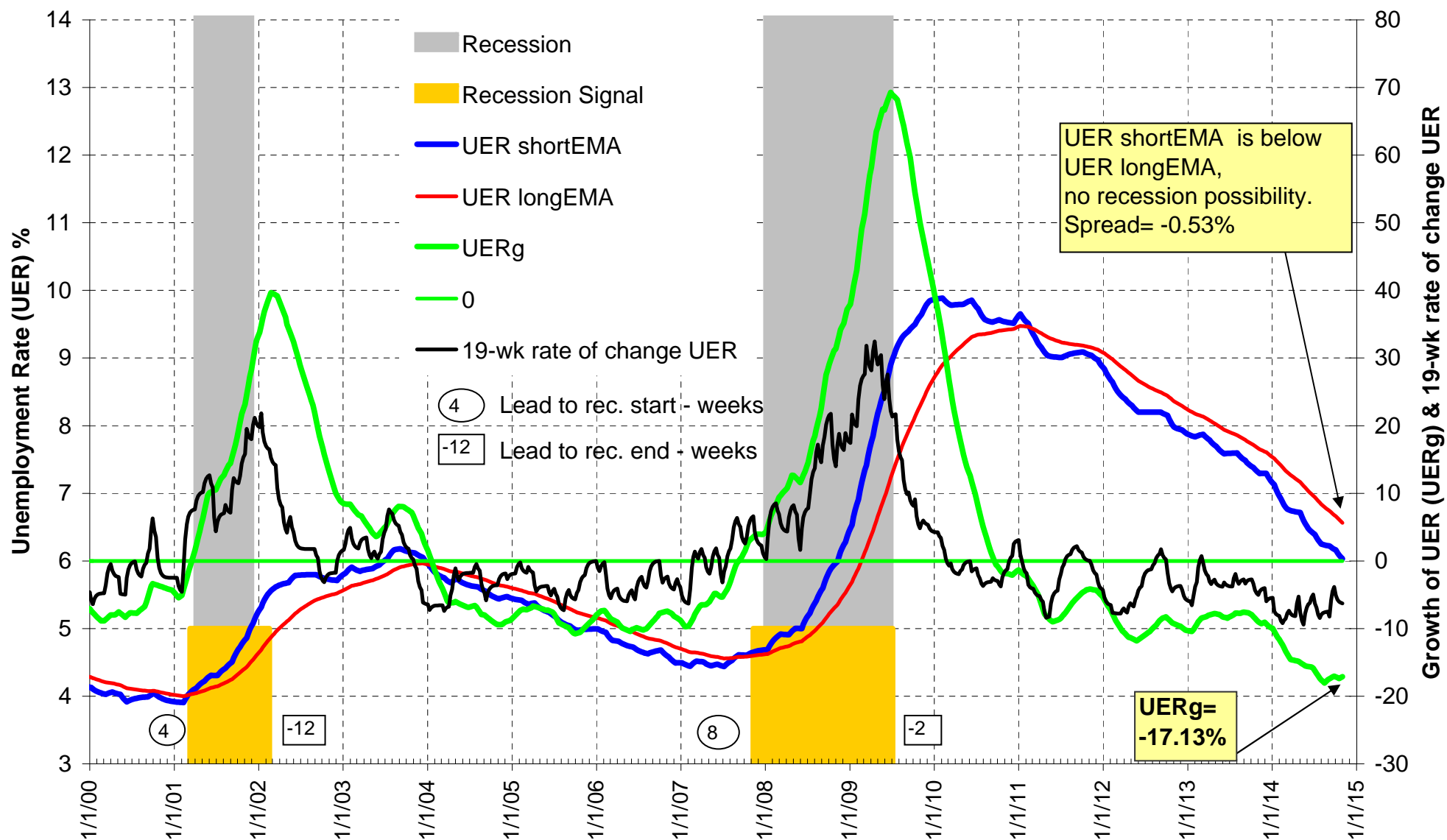
updated to 10/03/2014



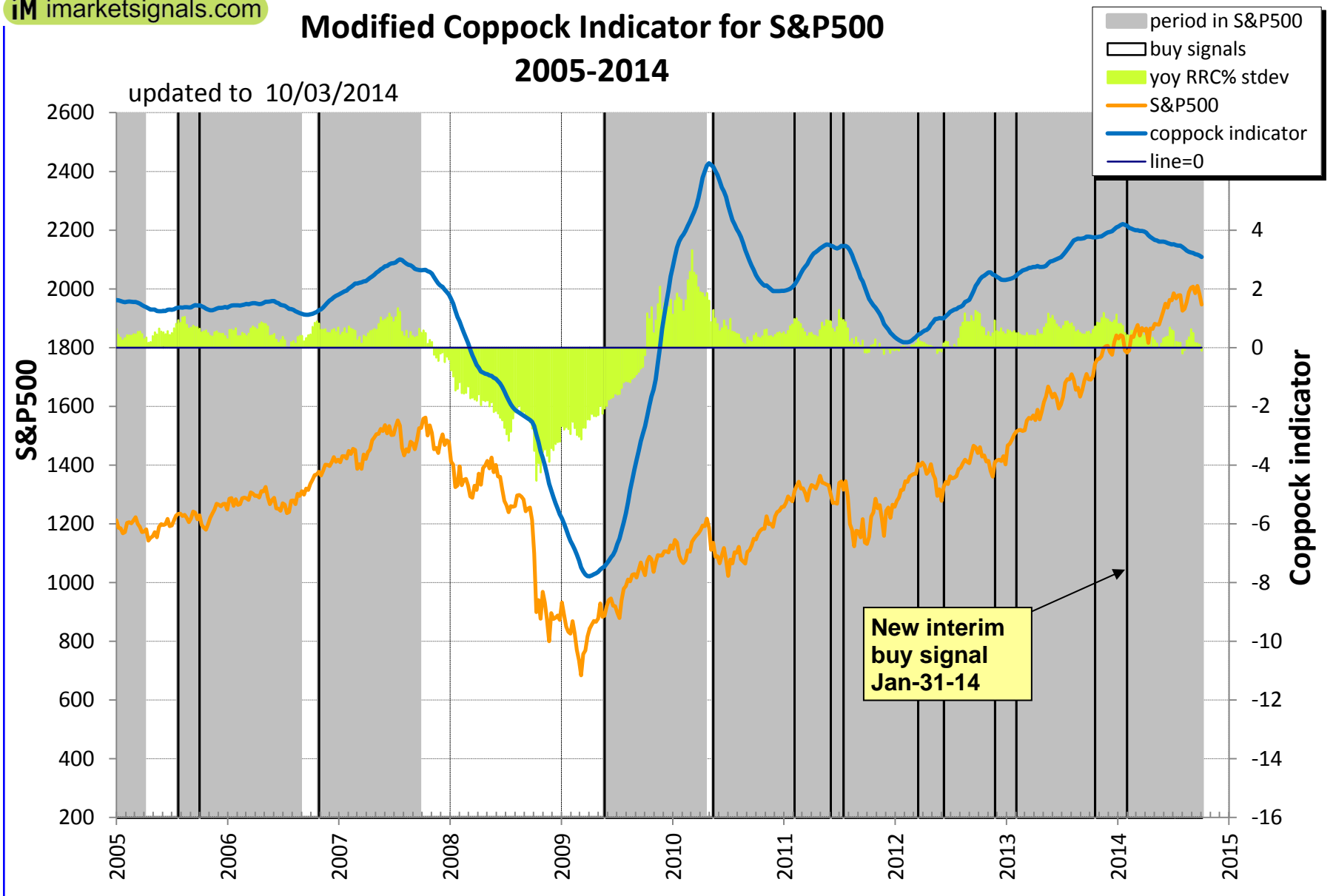
Unemployment Rate and Recessions (real-time) 2000-2014

Leads to recession starts and to recession ends are positive numbers in weeks, lags are negative numbers.

updated to 10-31-2014 with September UER= 5.9%



Modified Coppock Indicator for S&P500 2005-2014



TIAA Real Estate Account vs. Vanguard REIT Index Fund (VGSIX) 2000 - 2014

updated to 9/30/14, current 1-year rolling return= 9.94%

