

Business Cycle Index 4-10-14

Further decreases in the Continued Claims (Insured Unemployment), as reported by the DOL today, result in the BCI rising to a new all-time high of 169.0 for this business cycle, up from last week's upward revised 168.7. However BCIg, the smoothed annualized growth of BCI, is down to 16.9 from last week's upward revised 17.1.

This week's BCI shows no recessionary trends.

Summary 4-11-14:

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 higher from last week's level, and iM-BCIg is also lower 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 56 weeks ago when the WLIg_shortEMA moved below the WLIg_longEMA. Currently the WLIg_shortEMA indicator has almost the same level as the WLIg_longEMA. If the sell signal was correct then WLIg_shortEMA should move decisively below WLIg_longEMA, which is currently not the case. However, had it not been for this sell signal, the model would have generated another sell signal on Sep-20-13. A Sell-C signal was generated on during week ending 11/15/13. 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 signals 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 near 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 higher than last week's 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, lower from last week's level. It is possible that BCIg may have peaked in June. 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 higher 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 steepening trend 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. This model has been out of Gold since Nov-26-2012 but is now invested. This indicator is described in [Is it Time to Buy Gold Again? - Wait for the buy signal](#)

Silver:

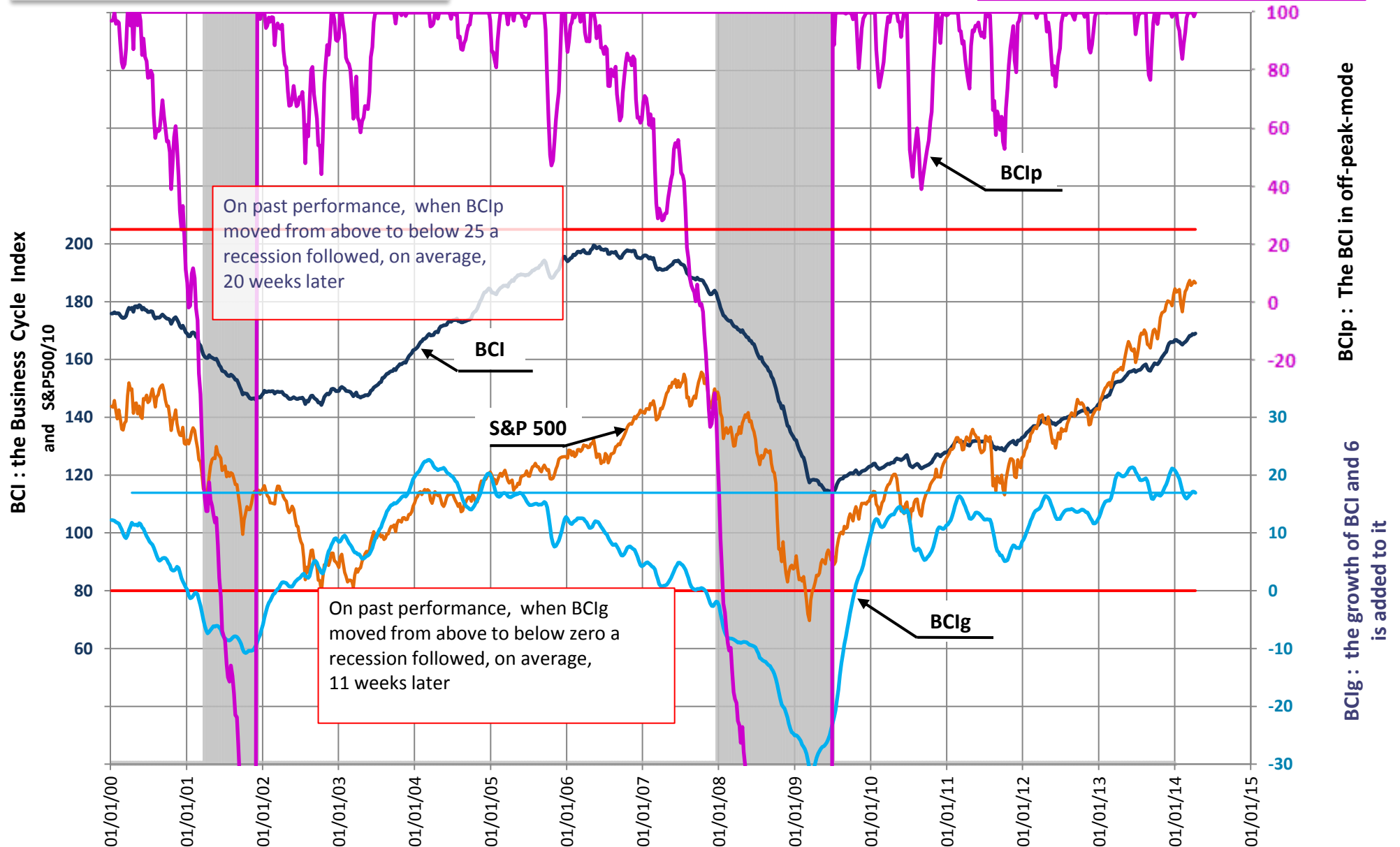
The modified Coppock Silver indicator shown in Fig 7 and is currently invested. This indicator is described in [Silver - Better Than Gold: A Modified Coppock Indicator for Silver.](#)

iM's Business Cycle Index (BCI)

BCIp, BCI and BCIG
updated to Apr 10, 2014

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

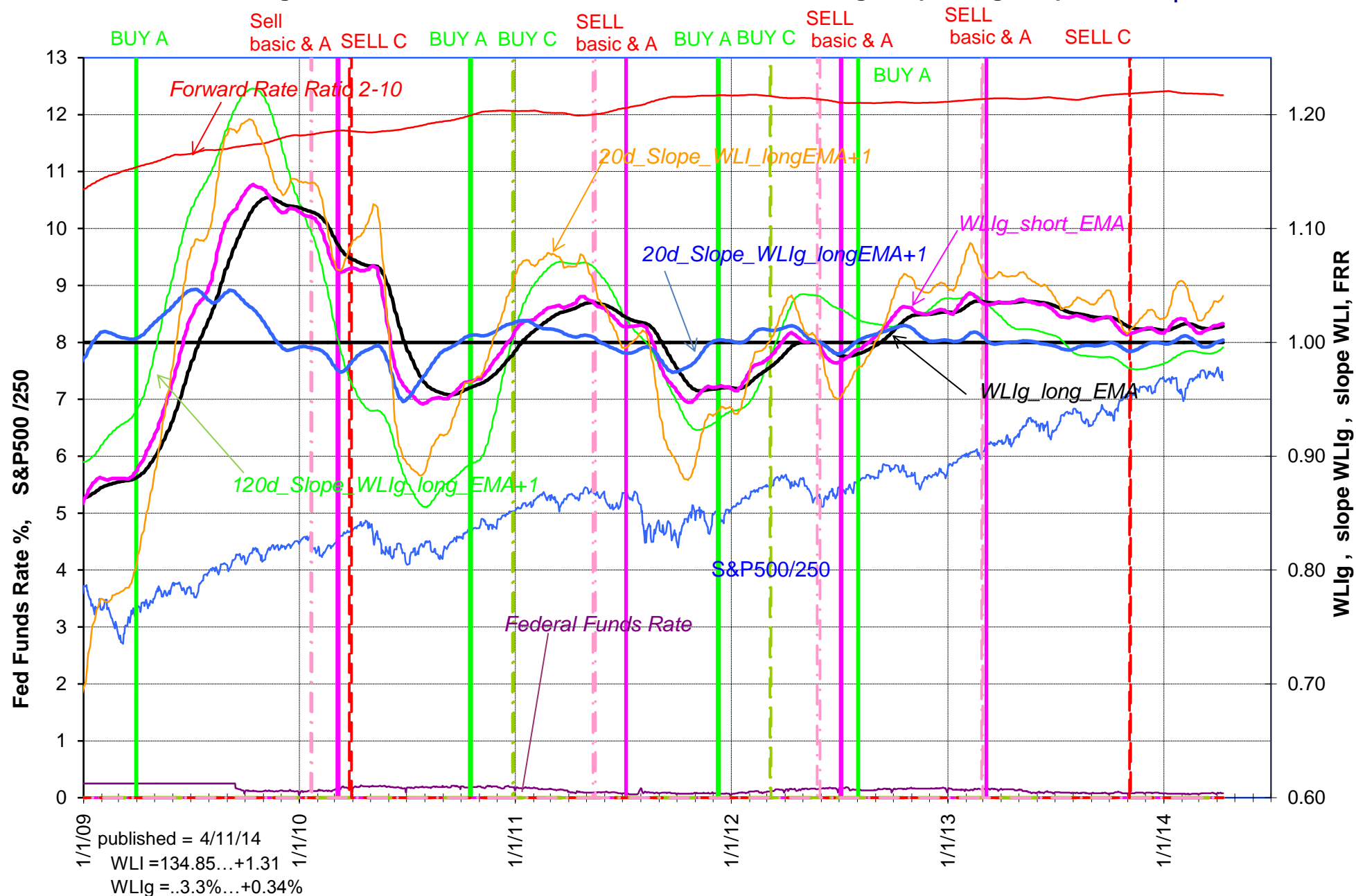
Date	03/13	03/20	03/27	04/03	04/10
BCIp	100.0	100.0	100.0	98.7	100.0
BCI	168.2	168.2	168.8	168.7	169.0
BCIg	16.6	16.8	17.1	17.1	16.9



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

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Figure 1 : 2009-13 Fed Funds Rate, S&P 500, FRR, WLlg, slope WLlg, slope WLI updated to....4/11/14



WLlg = ECRI Weekly Leading Index growth/200 +1

WLI = (ECRI Weekly Leading Index -50)/10

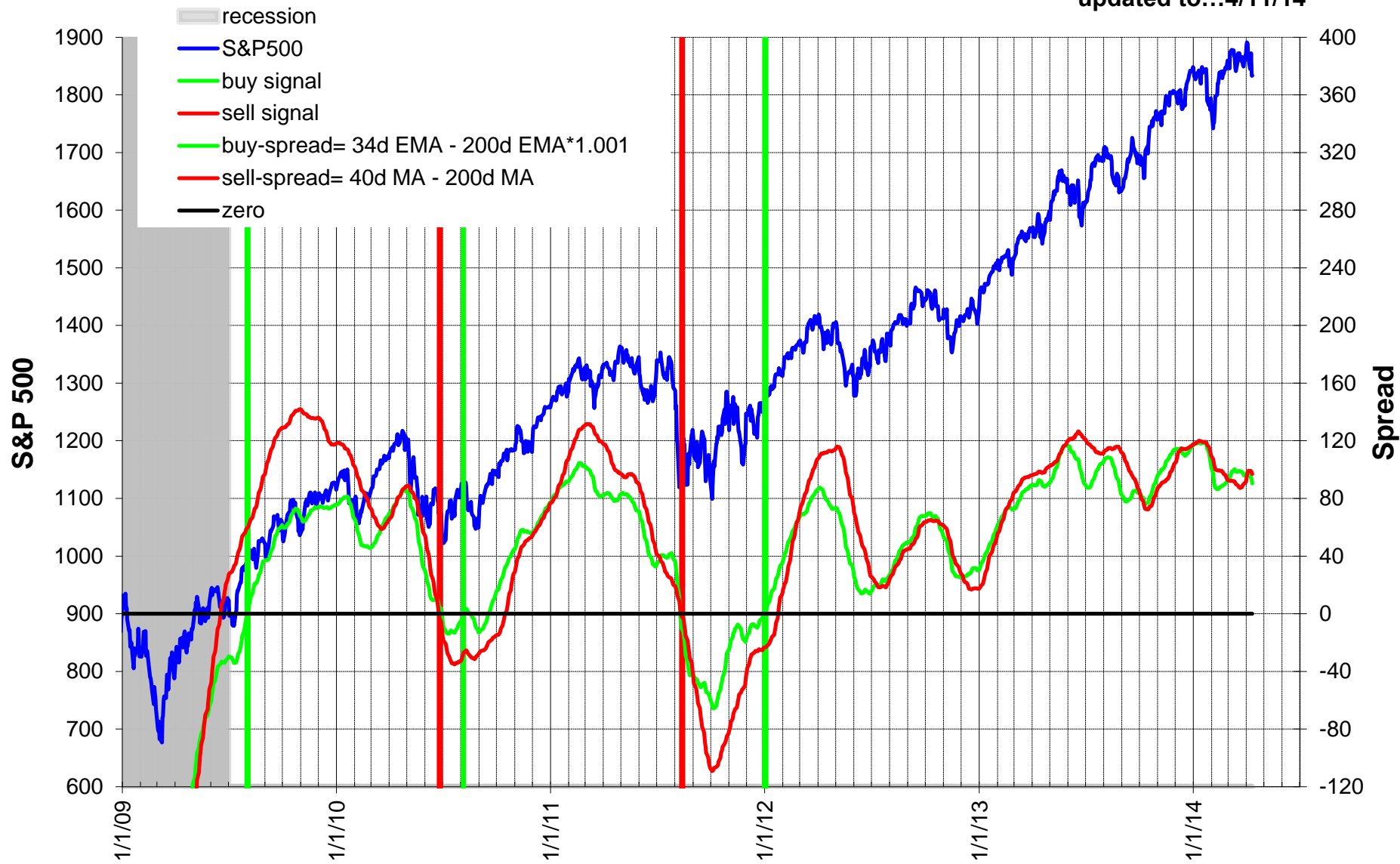
IBH.xlsm

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



updated to...4/11/14



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

updated to Apr-11-14

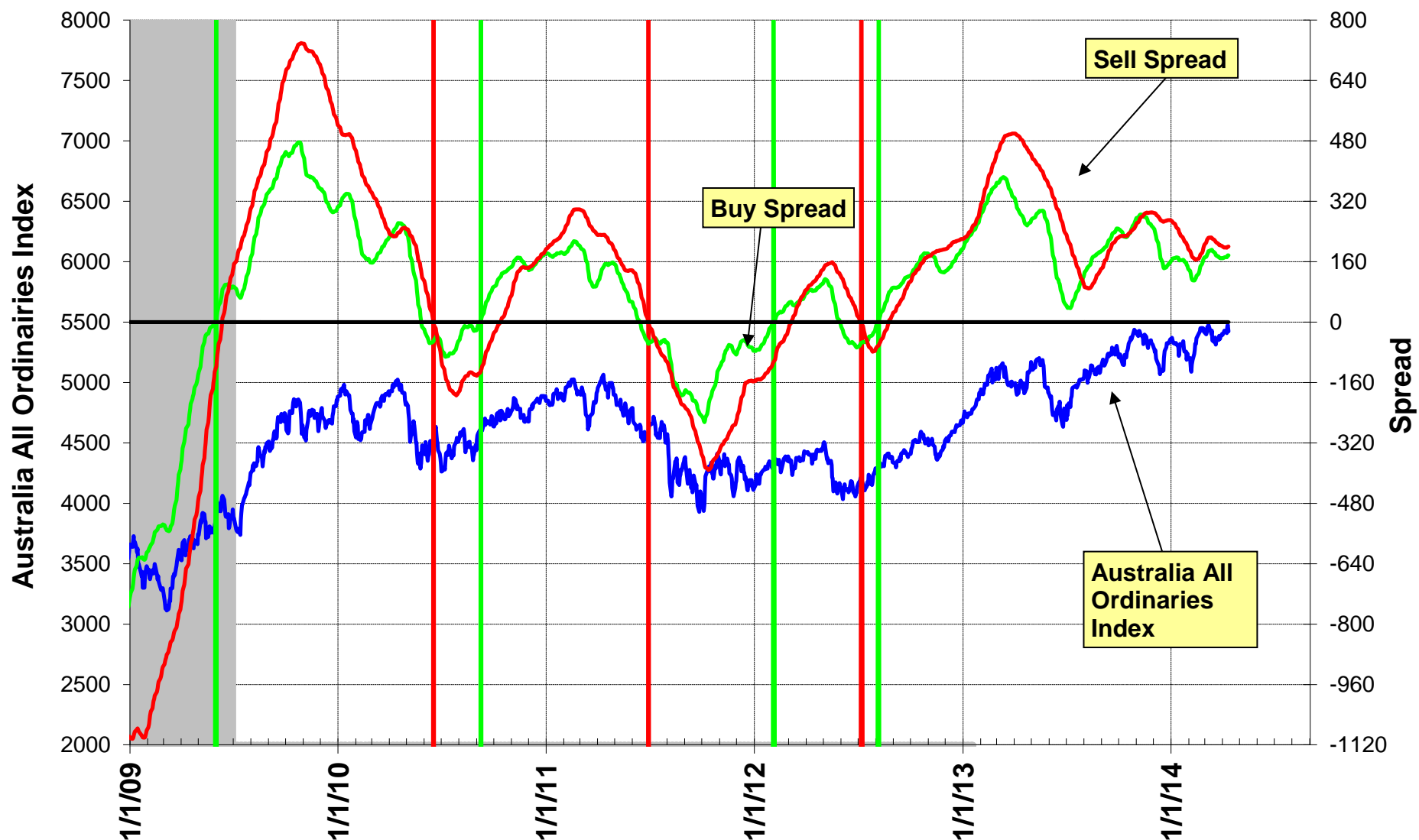


Fig. 3: COMP Leading Indicator of US Economy 1969-2014

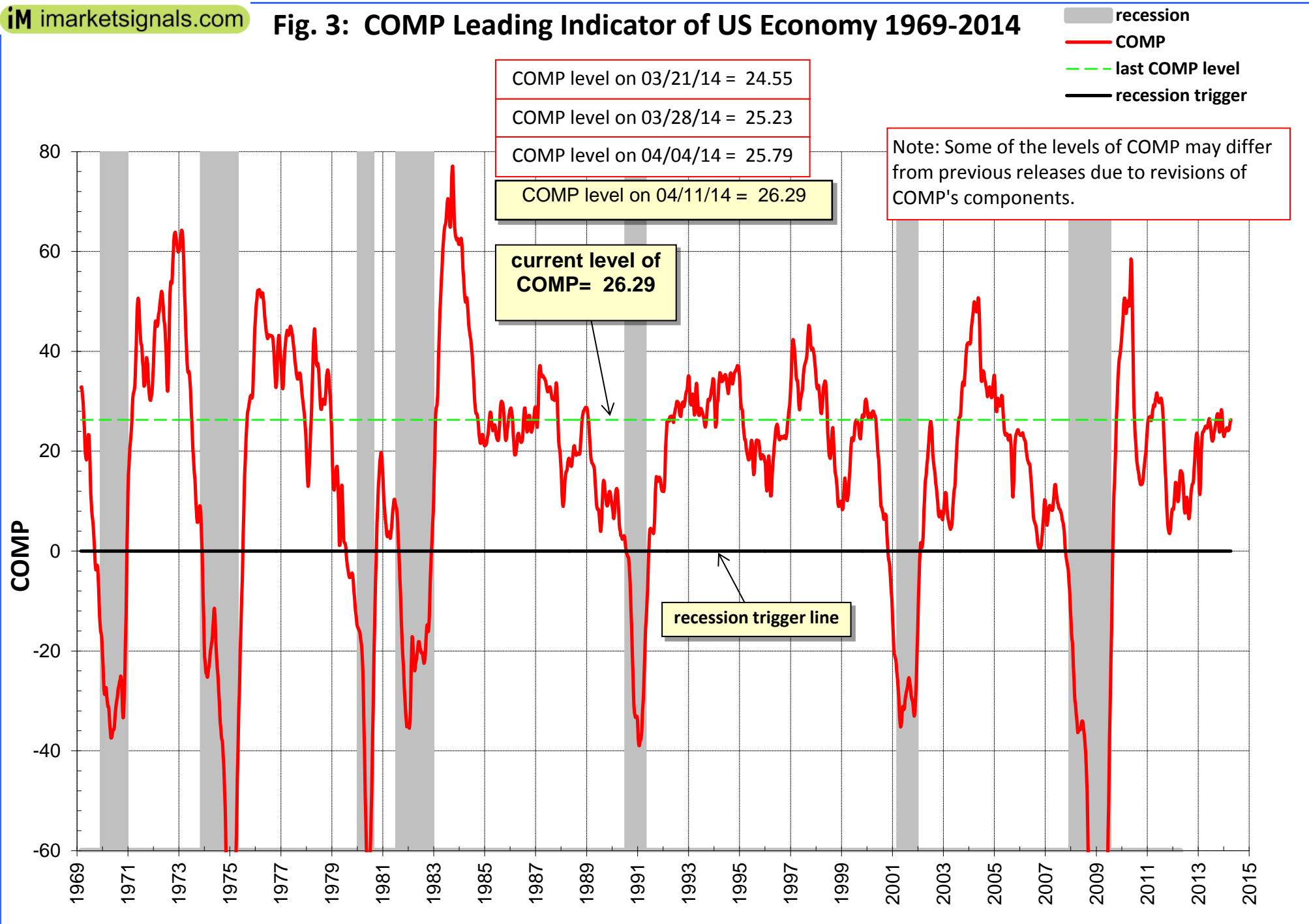


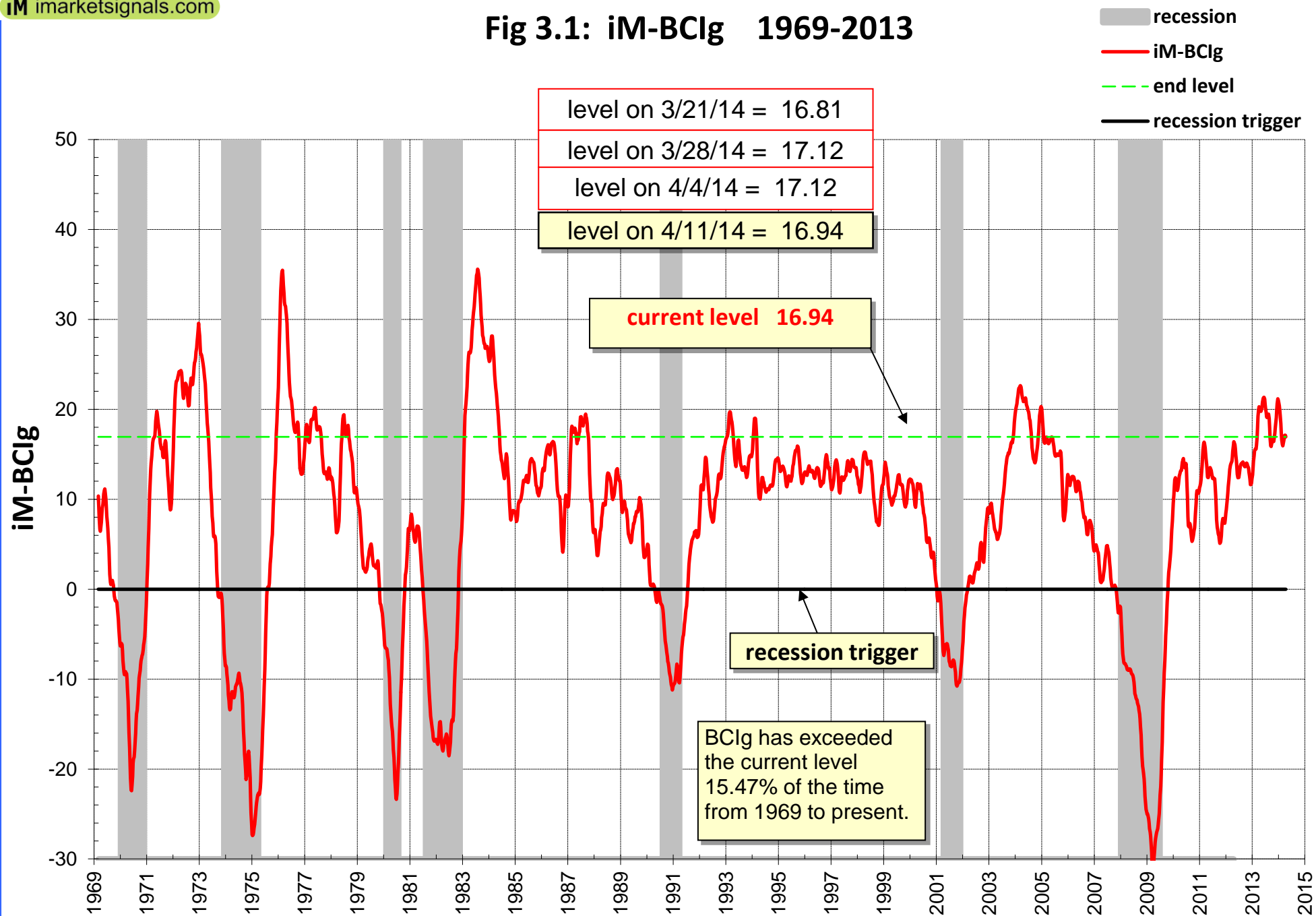
Fig 3.1: iM-BCI_g 1969-2013

Figure 4: Bond Value Ratio (BVR) from 2006 to 2014

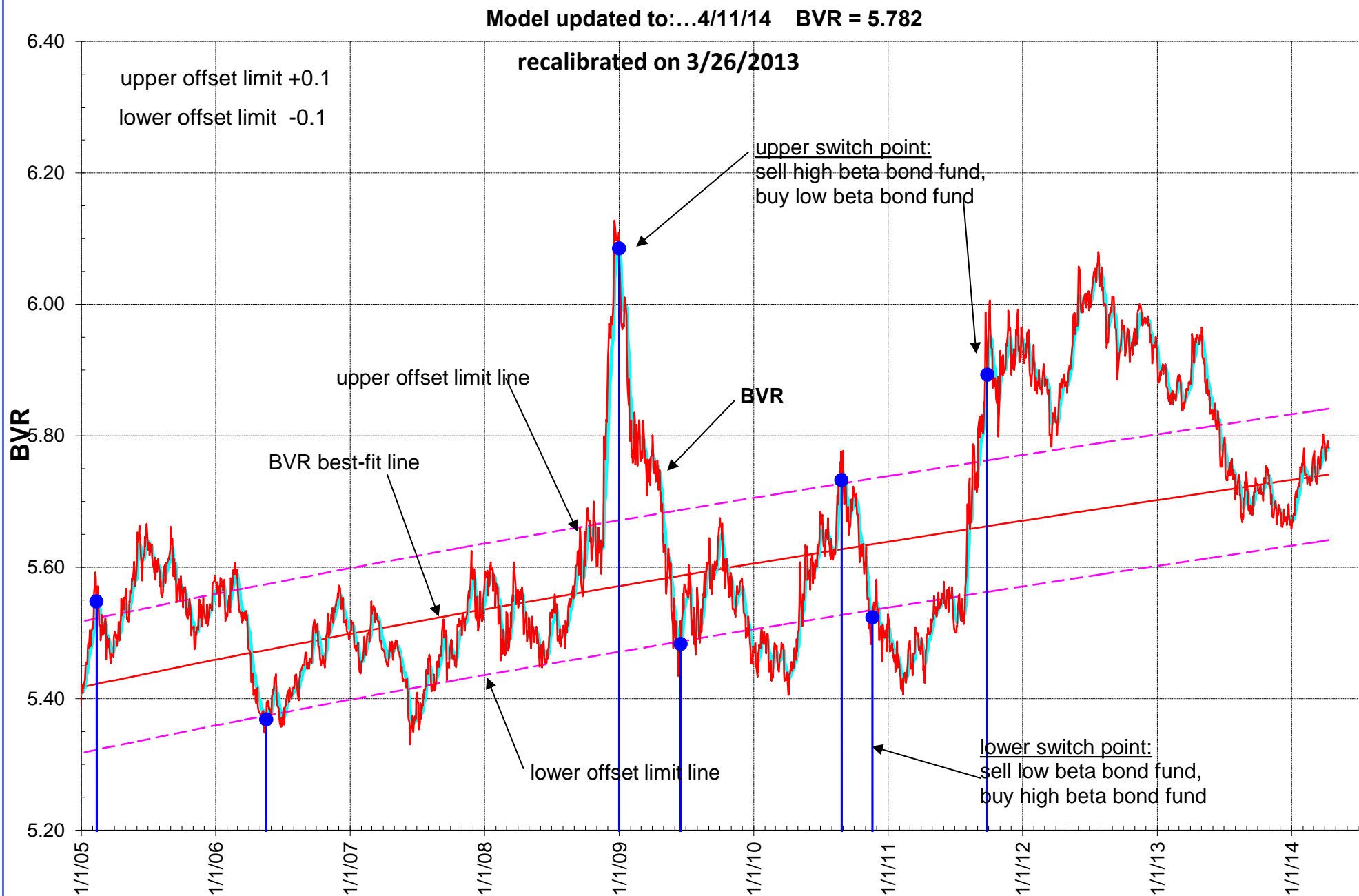


Figure 5: $i10 - i2$ Updated to.....4/11/14

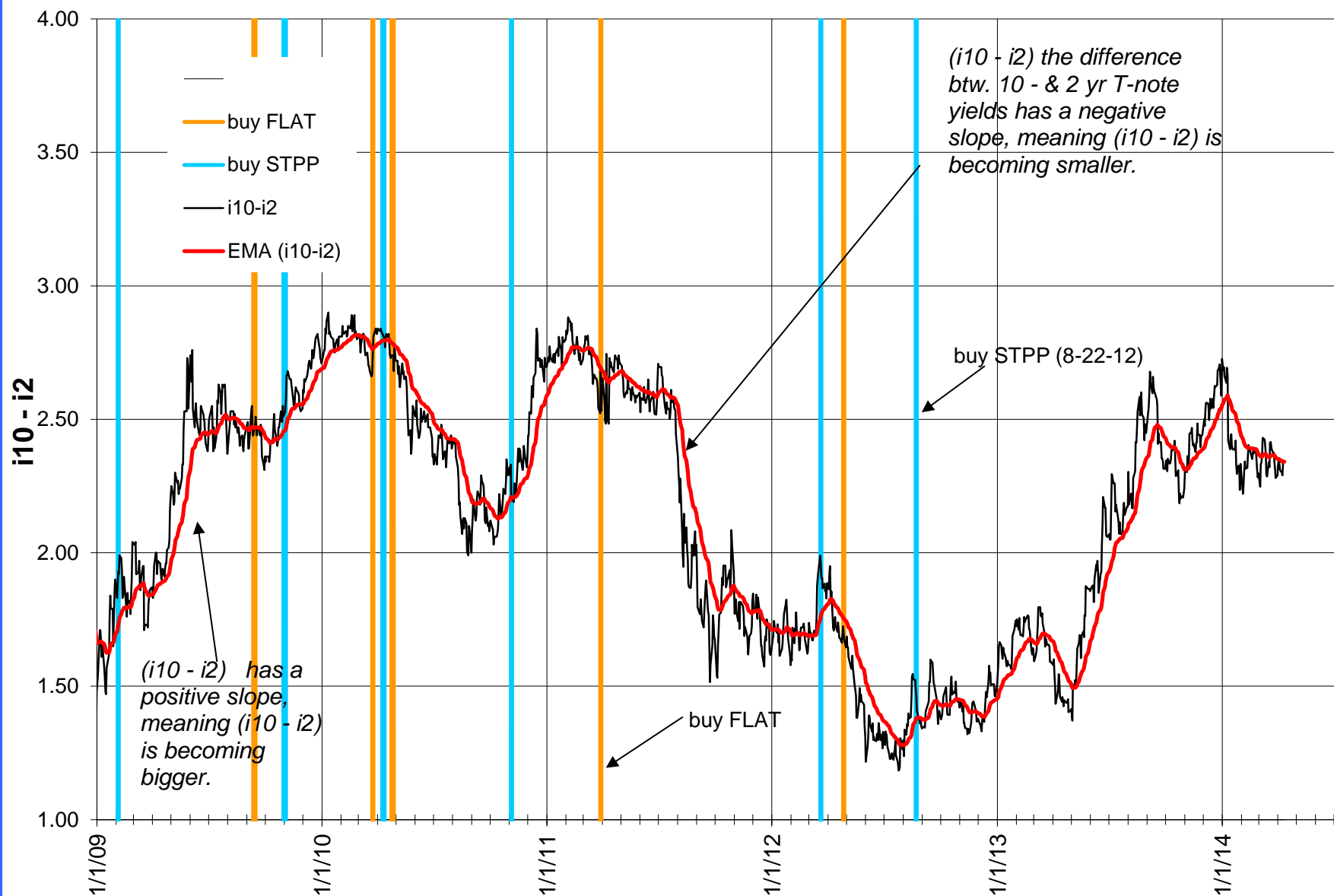


Figure 6: Modified Coppock Indicator for Gold 2005-2014

updated to 04/11/2014

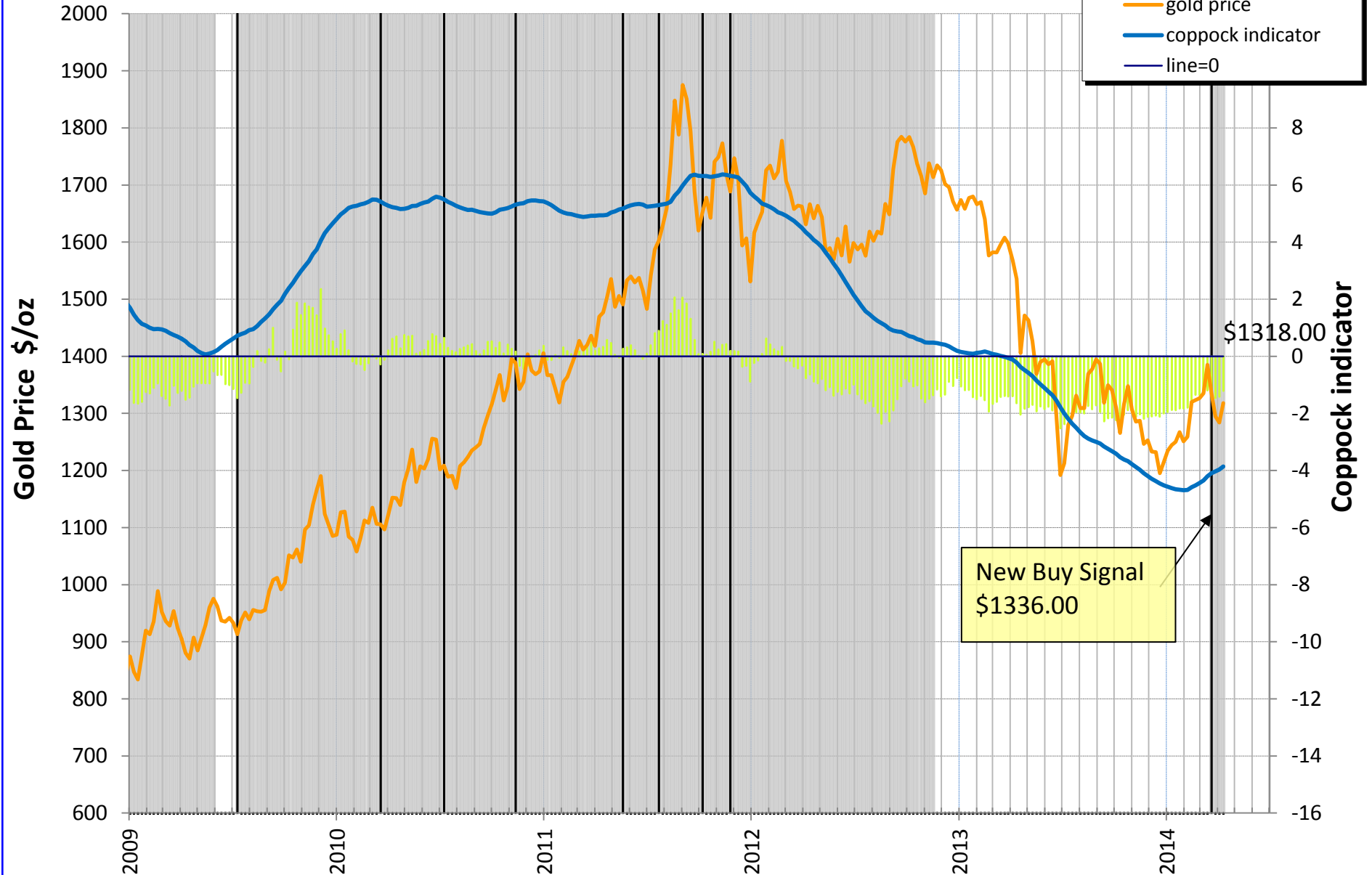


Figure 7: Modified Coppock Indicator for Silver 2005-2014

updated to 04/11/2014

