

Business Cycle Index 4-4-14

The BCI stands at 168.5 and is slightly down from last week's upward revised 168.6. BCIg , the smoothed annualized growth of BCI, also grew to 17.0 from last week's upward revised 16.9.

This week's BCI shows no recessionary trends.

Summary 4-4-14:

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

Stock-market:

The IBH-model is out of the market as shown in Fig. 1. A sell signal was generated 55 weeks ago when the WLlg_shortEMA moved below the WLlg_longEMA. Currently the WLlg_shortEMA indicator is just below WLlg_longEMA. If the sell signal was correct then WLlg_shortEMA should move decisively below WLlg_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 higher from 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 near 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, is near 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 lower 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:

There was a buy-signal on 3-21-14. 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.](#)

MONTHLY

Unemployment Rate:

The unemployment rate recession model has been updated with the March UER of 6.7%. Here is the link to [latest update](#).

Coppock S&P500:

The Coppock indicator for the S&P500 has generated another interim buy signal. This indicator is described [here](#) and now signals investment in the S&P500 for the next 48 weeks unless the S&P500 gains 38% over shorter period.

TIAA Real Estates Accounts

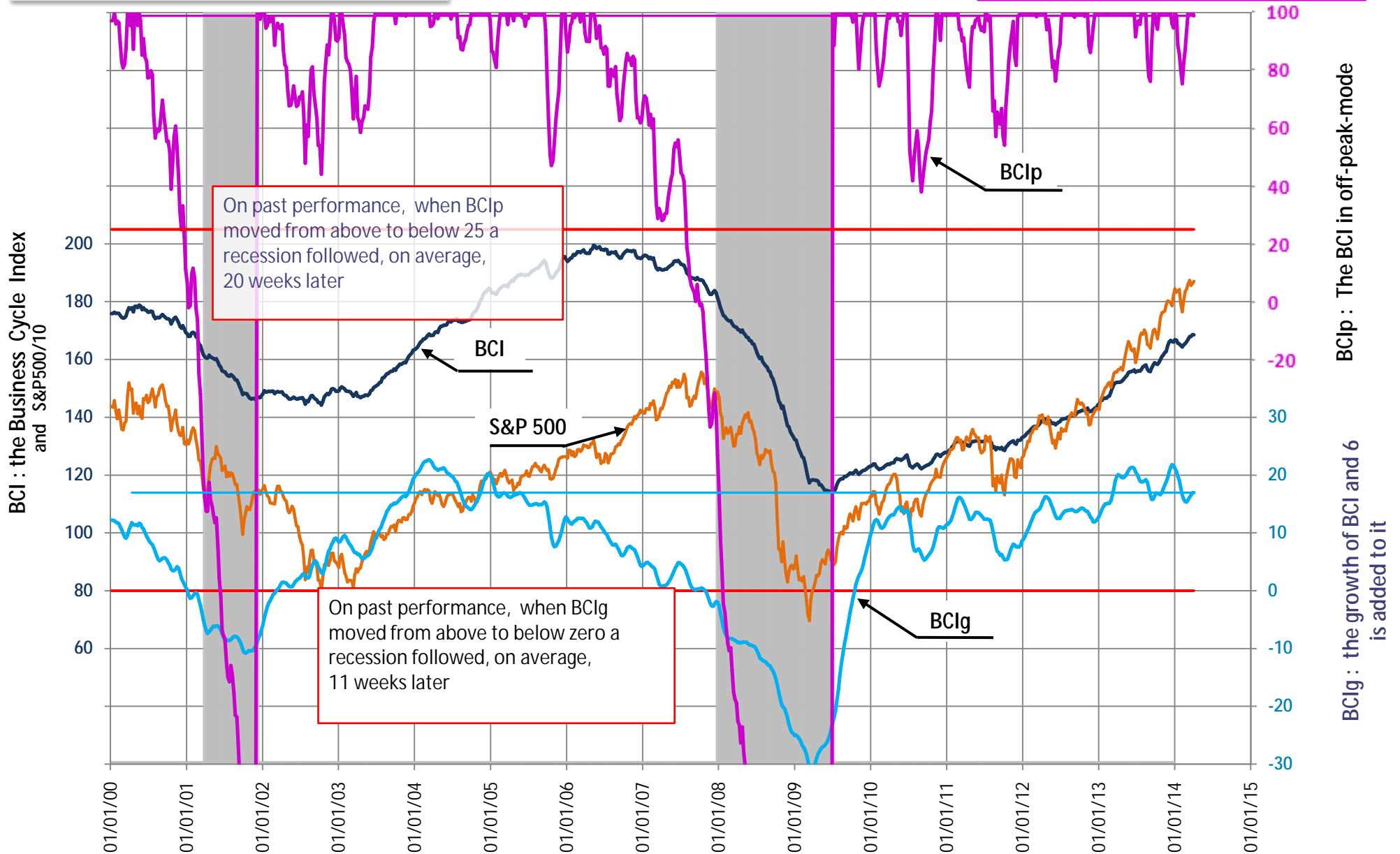
Currently the 1-year rolling return is 10.62%. A sell signal is not imminent.

iM's Business Cycle Index (BCI)

BCIp, BCI and BCIG updated to Apr 03, 2014

Date	03/06	03/13	03/20	03/27	04/03
BCIp	100.0	100.0	100.0	100.0	98.9
BCI	167.0	167.9	168.0	168.6	168.5
BCIg	15.7	16.2	16.6	16.9	17.0

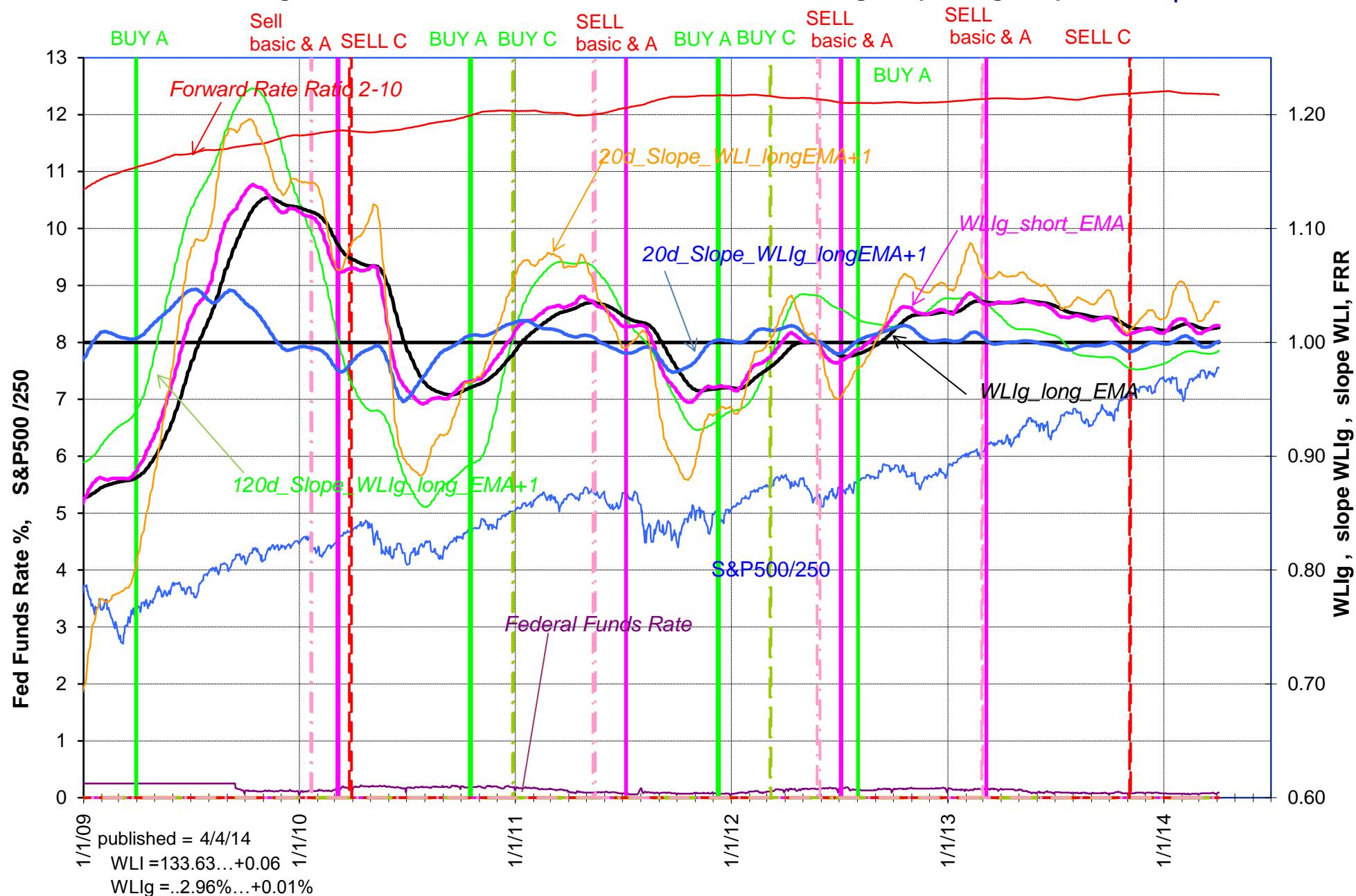
On past performance, BCIp = 100 can be interpreted as an average one year "time-to-live" to a recession.



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

imarketsignals.com

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



WLlg = ECRI Weekly Leading Index growth/200 +1

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

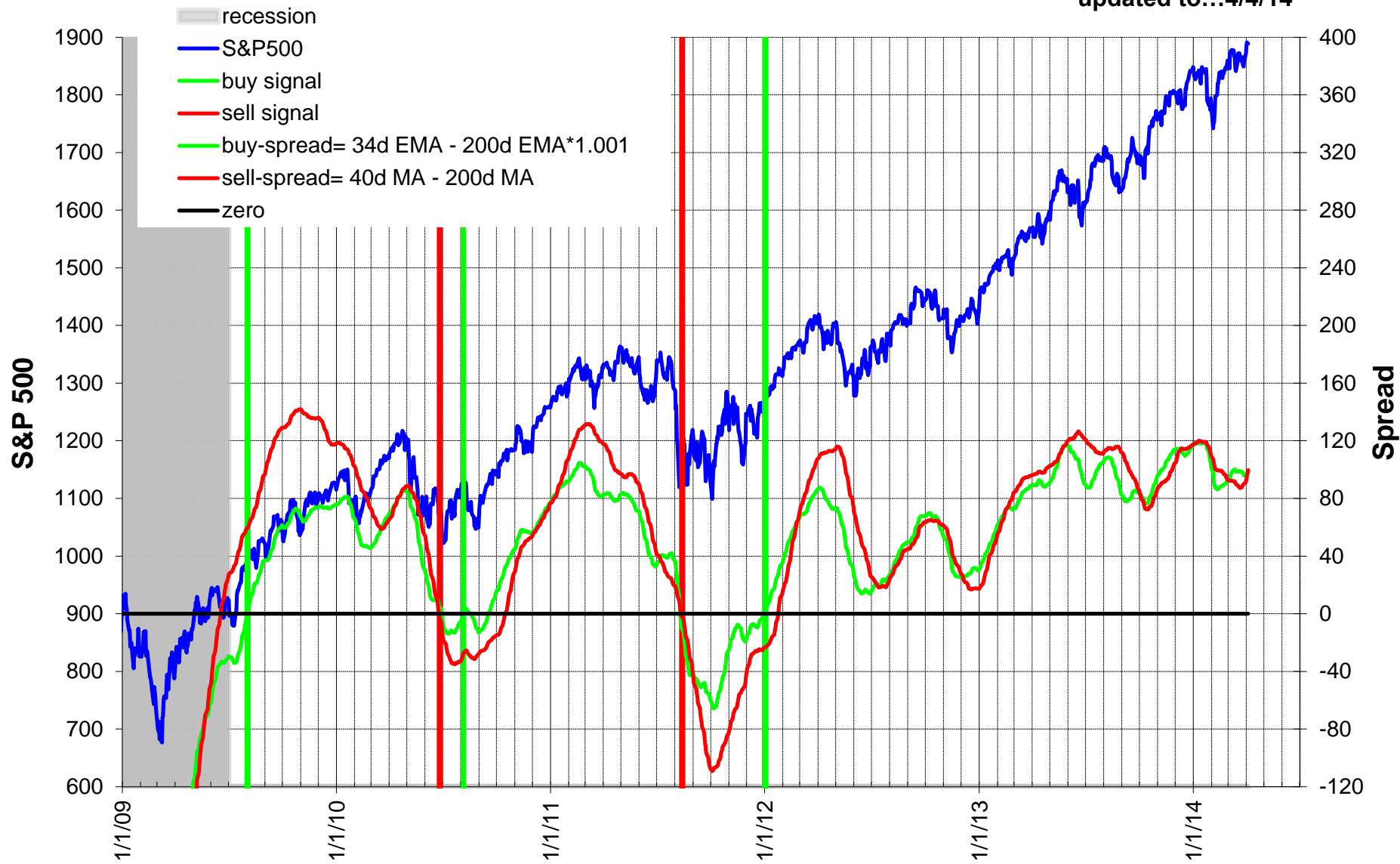
IBH.xlsm

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...4/4/14



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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-4-14

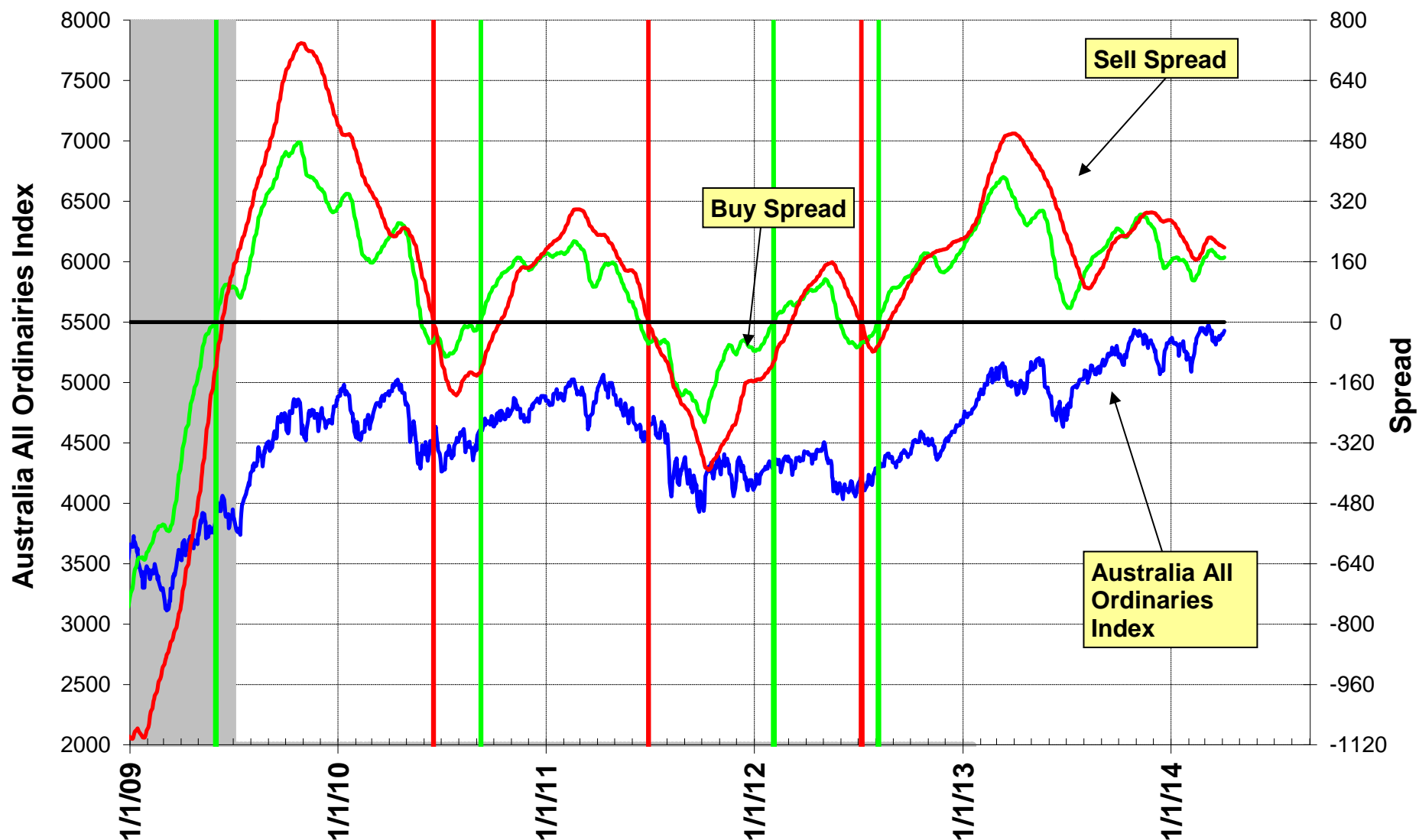


Fig. 3: COMP Leading Indicator of US Economy 1969-2014

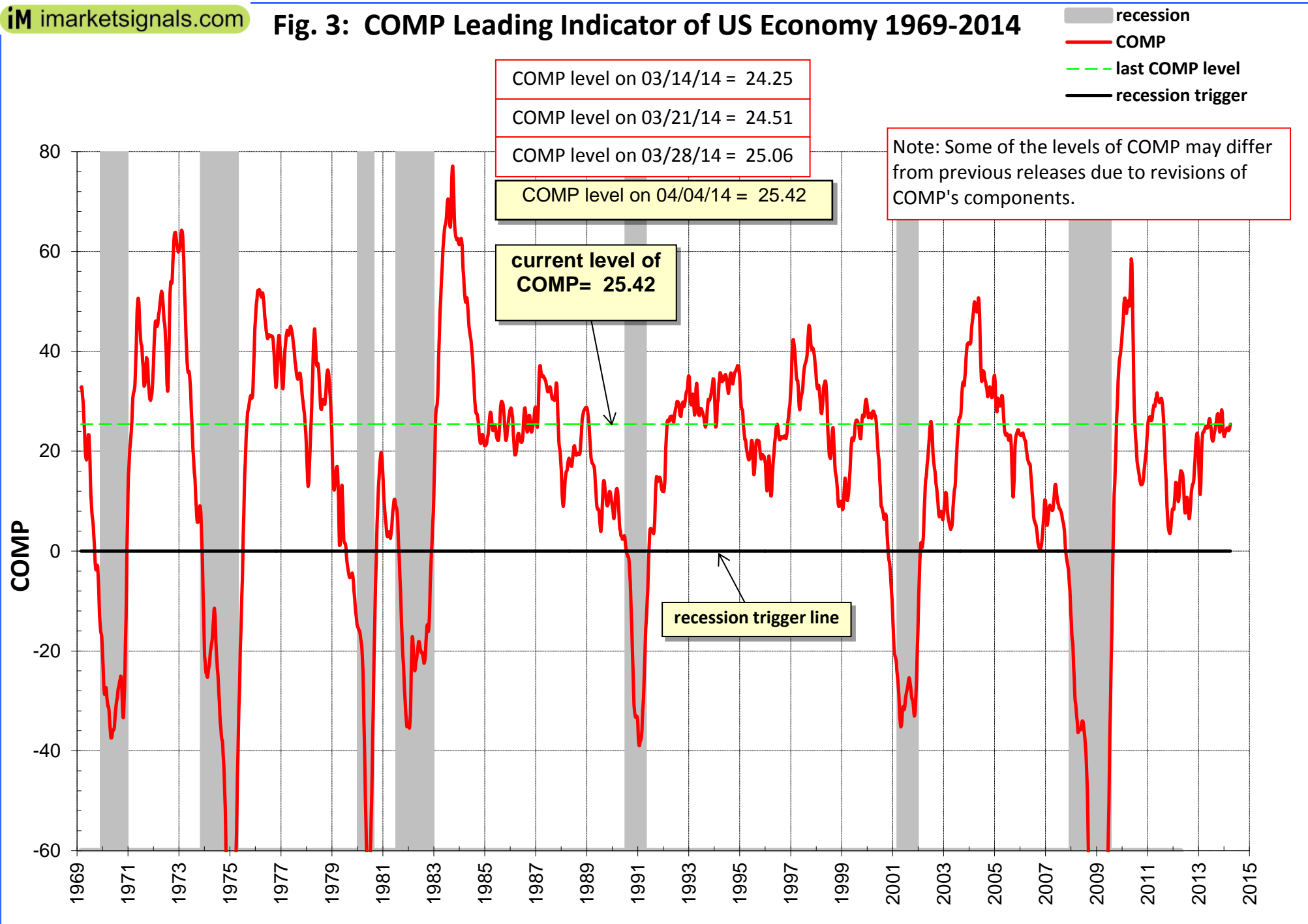


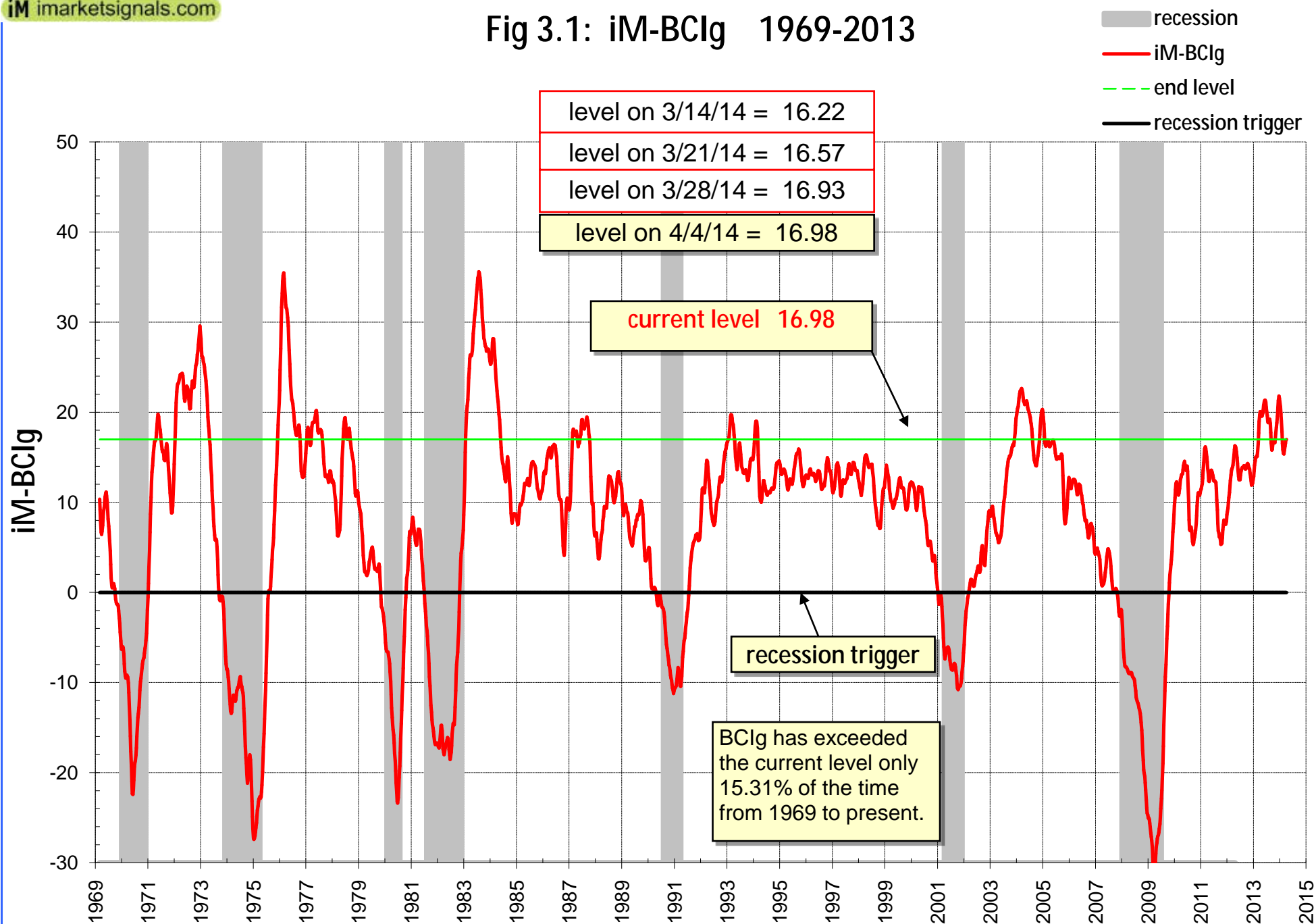
Fig 3.1: iM-BCI_g 1969-2013

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

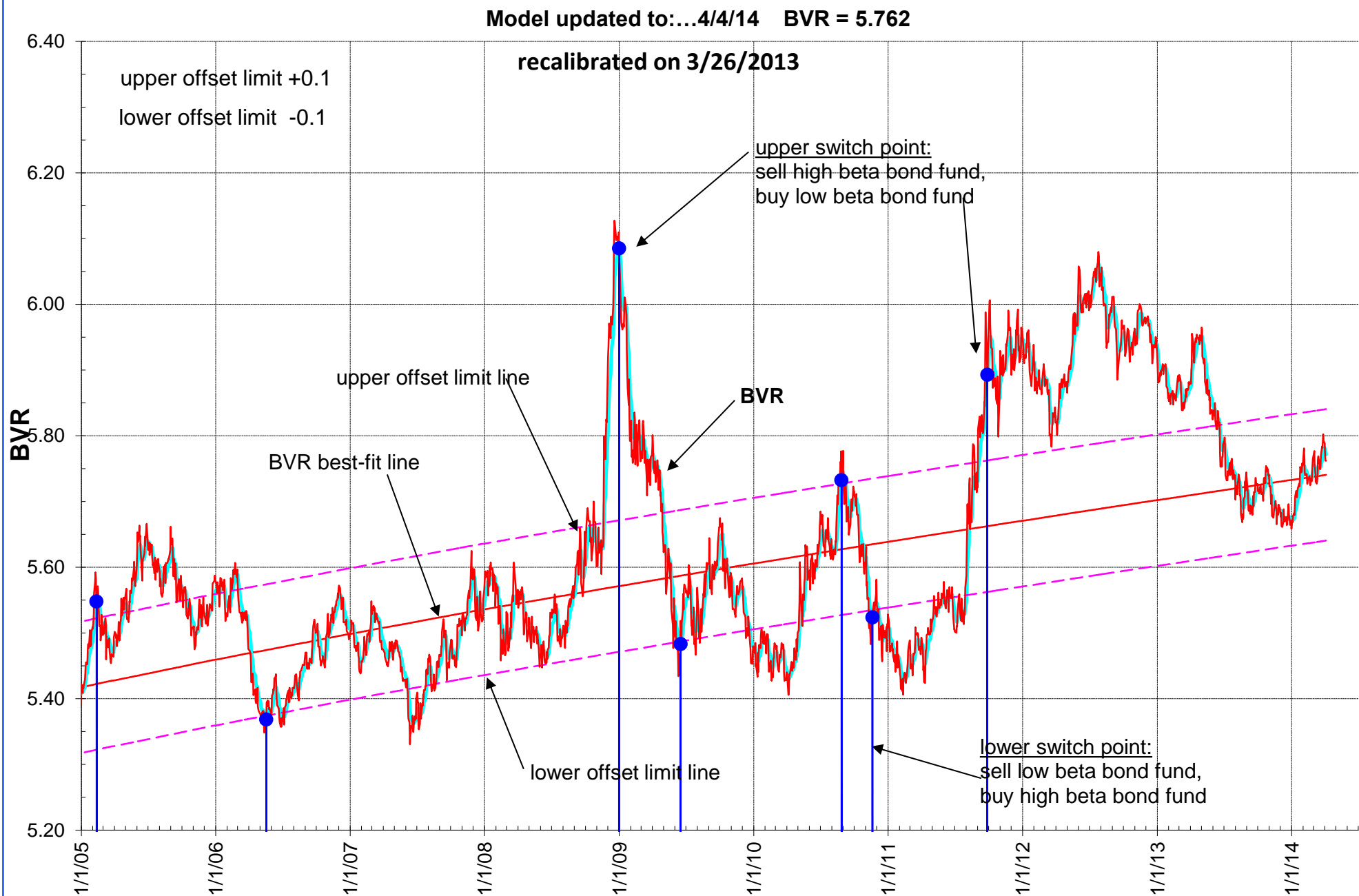


Figure 5: $i10 - i2$ Updated to.....4/4/14

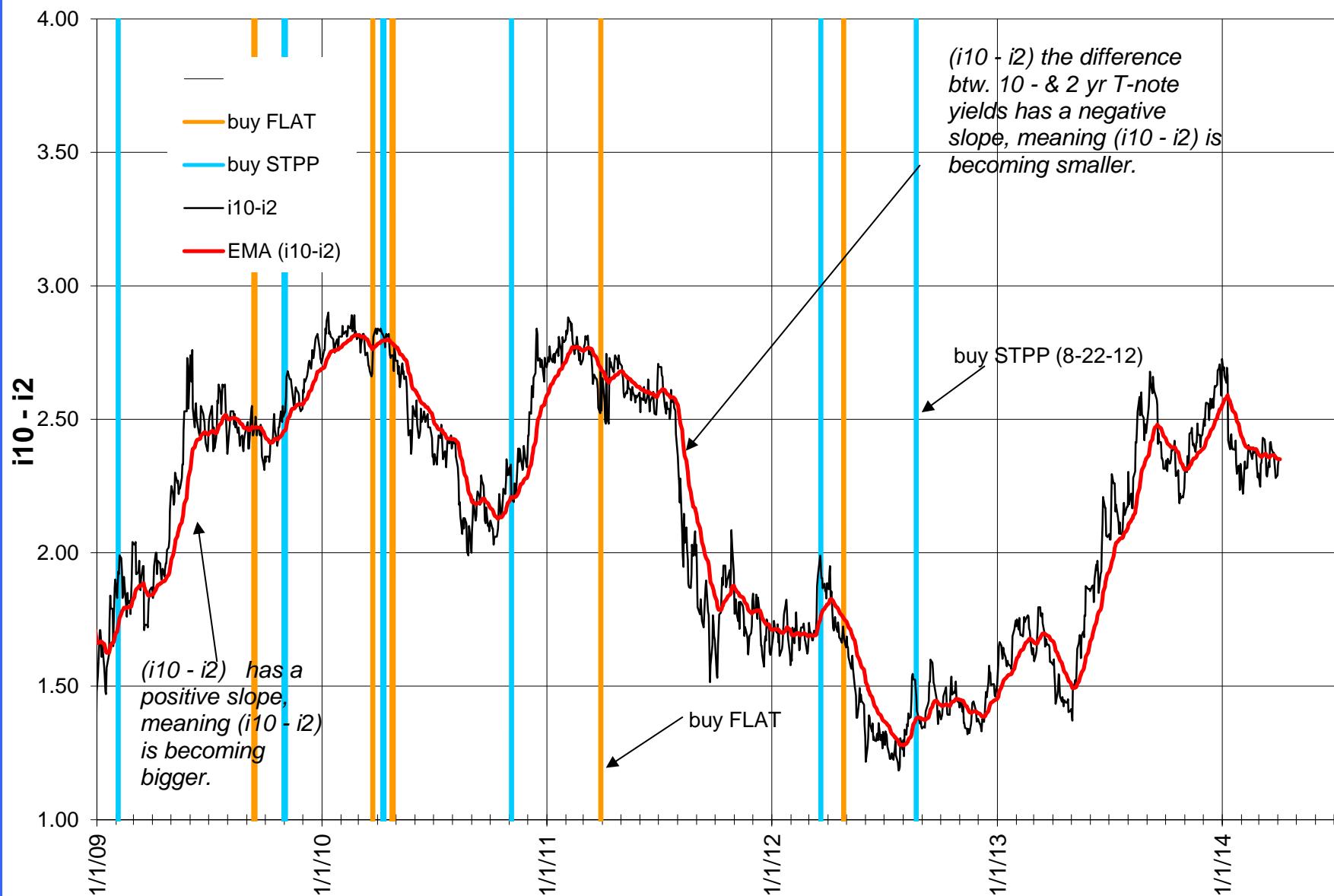


Figure 6: Modified Coppock Indicator for Gold 2005-2014

updated to 04/11/2014

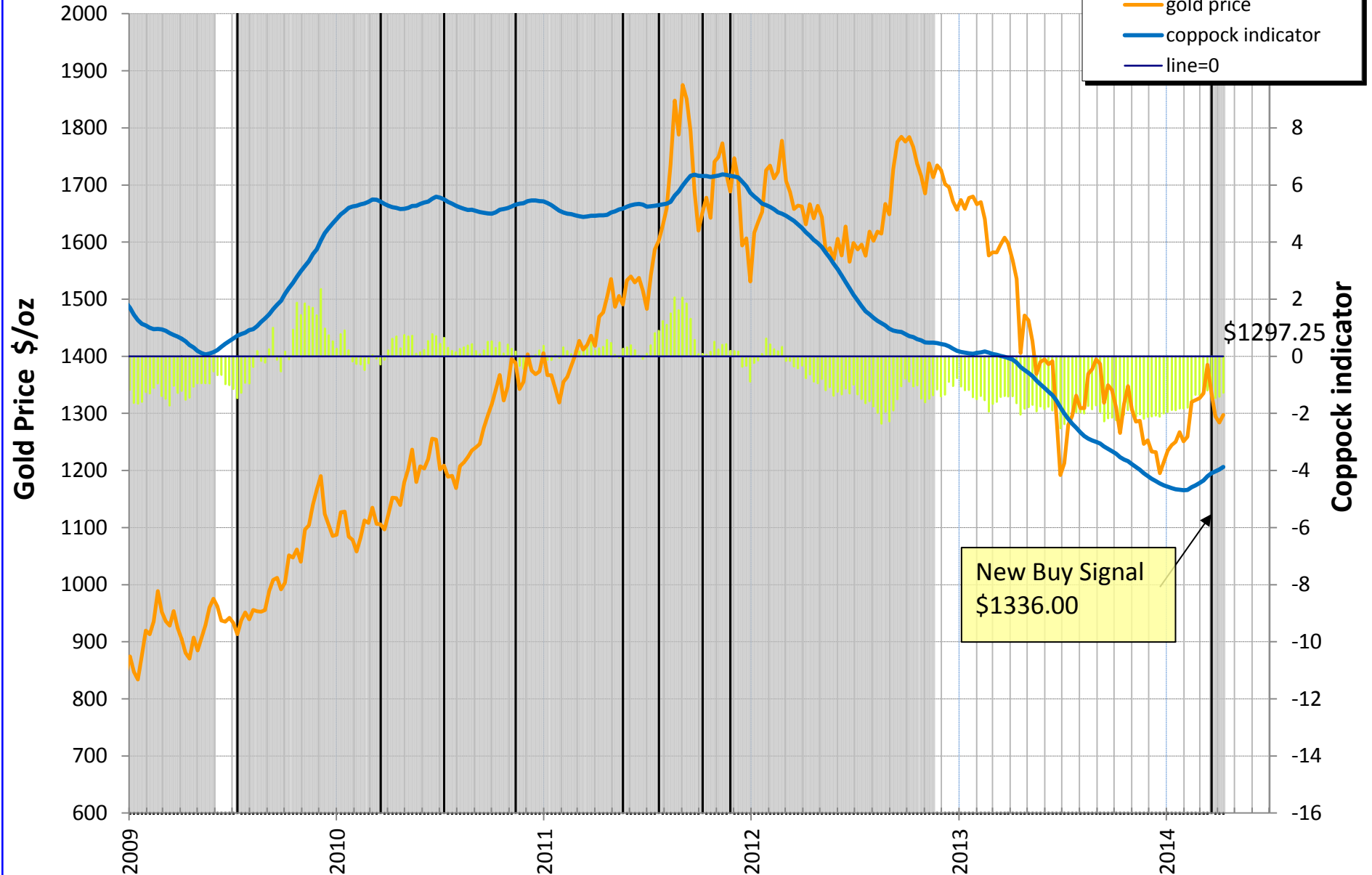
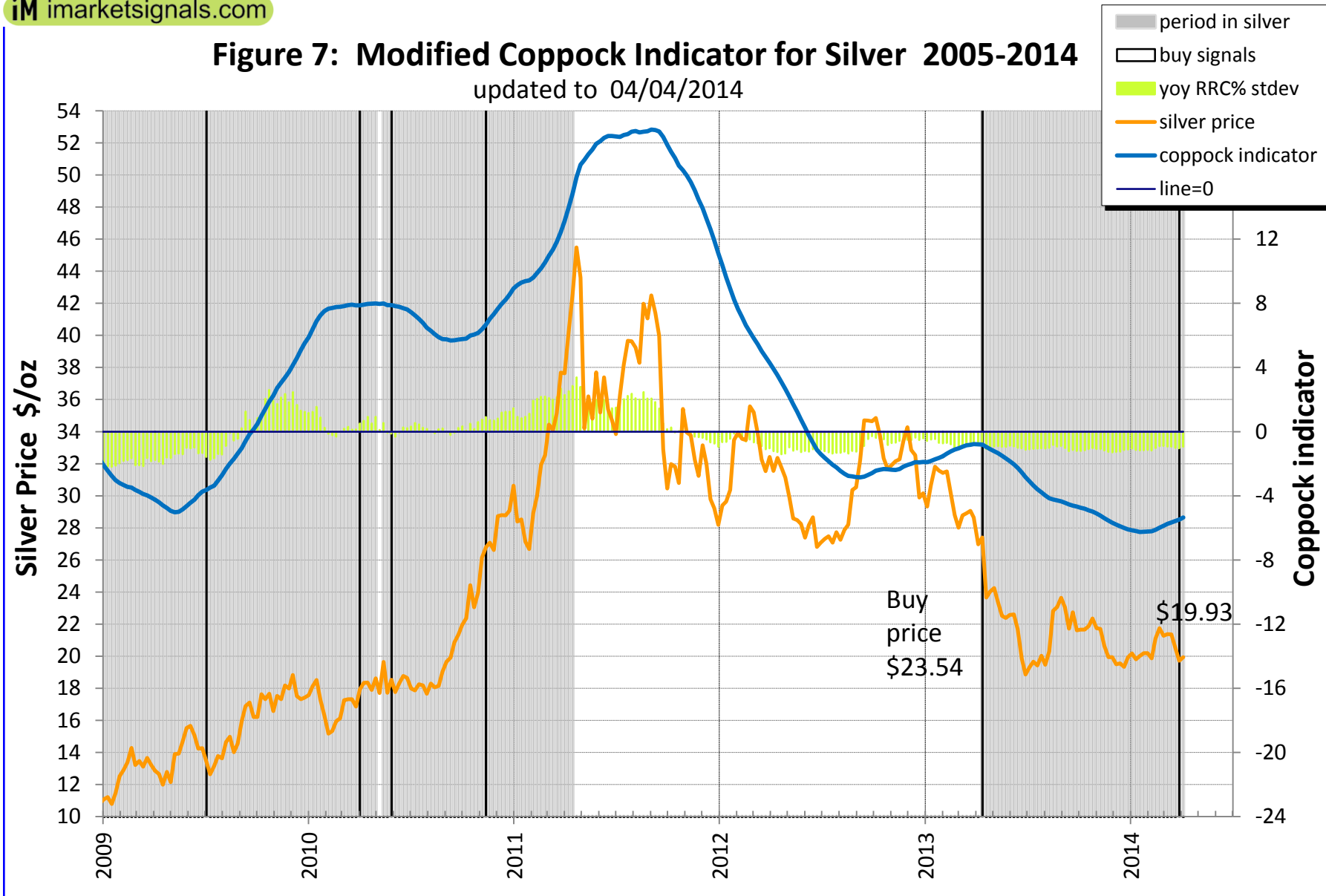


Figure 7: Modified Coppock Indicator for Silver 2005-2014

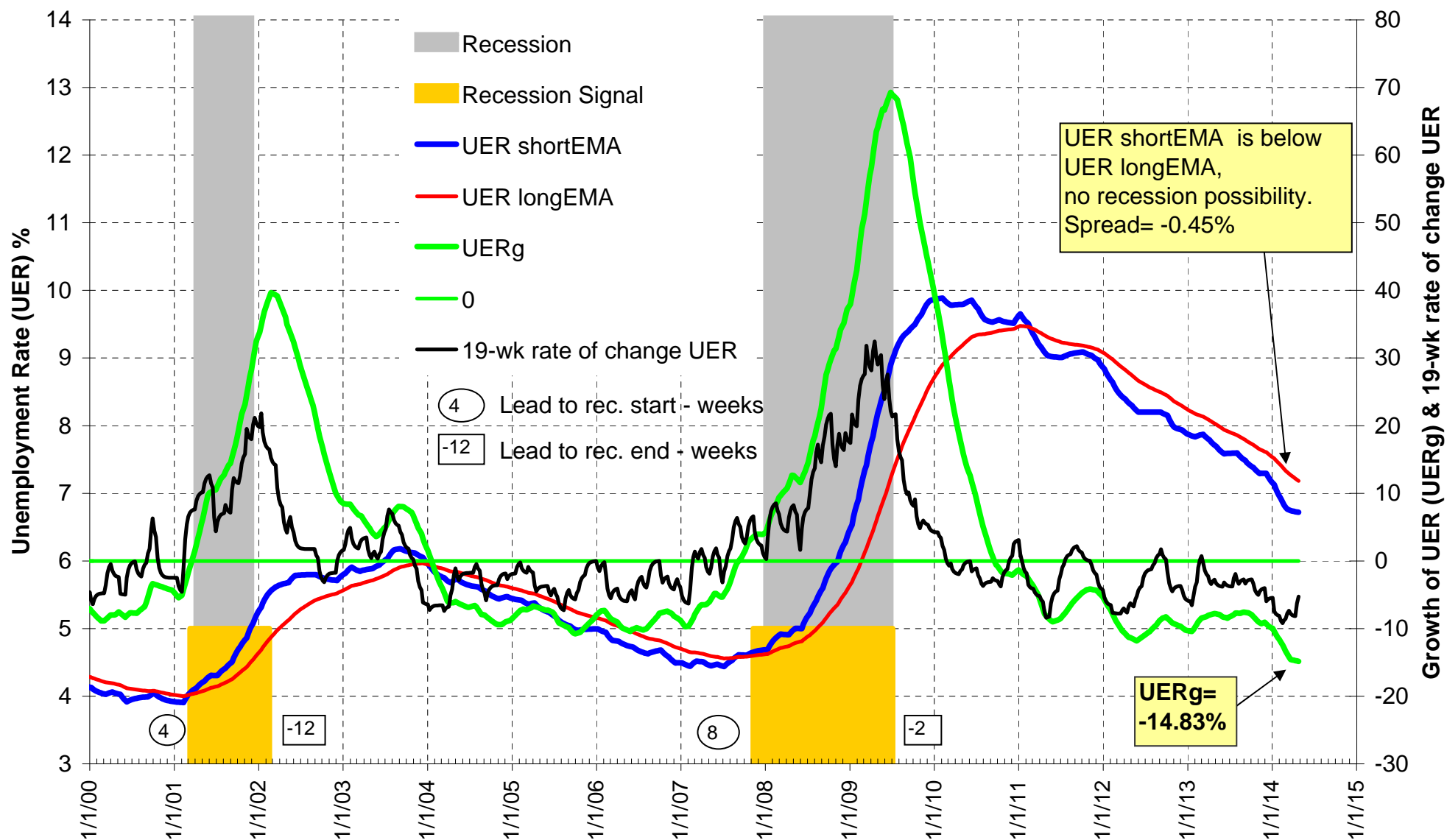
updated to 04/04/2014



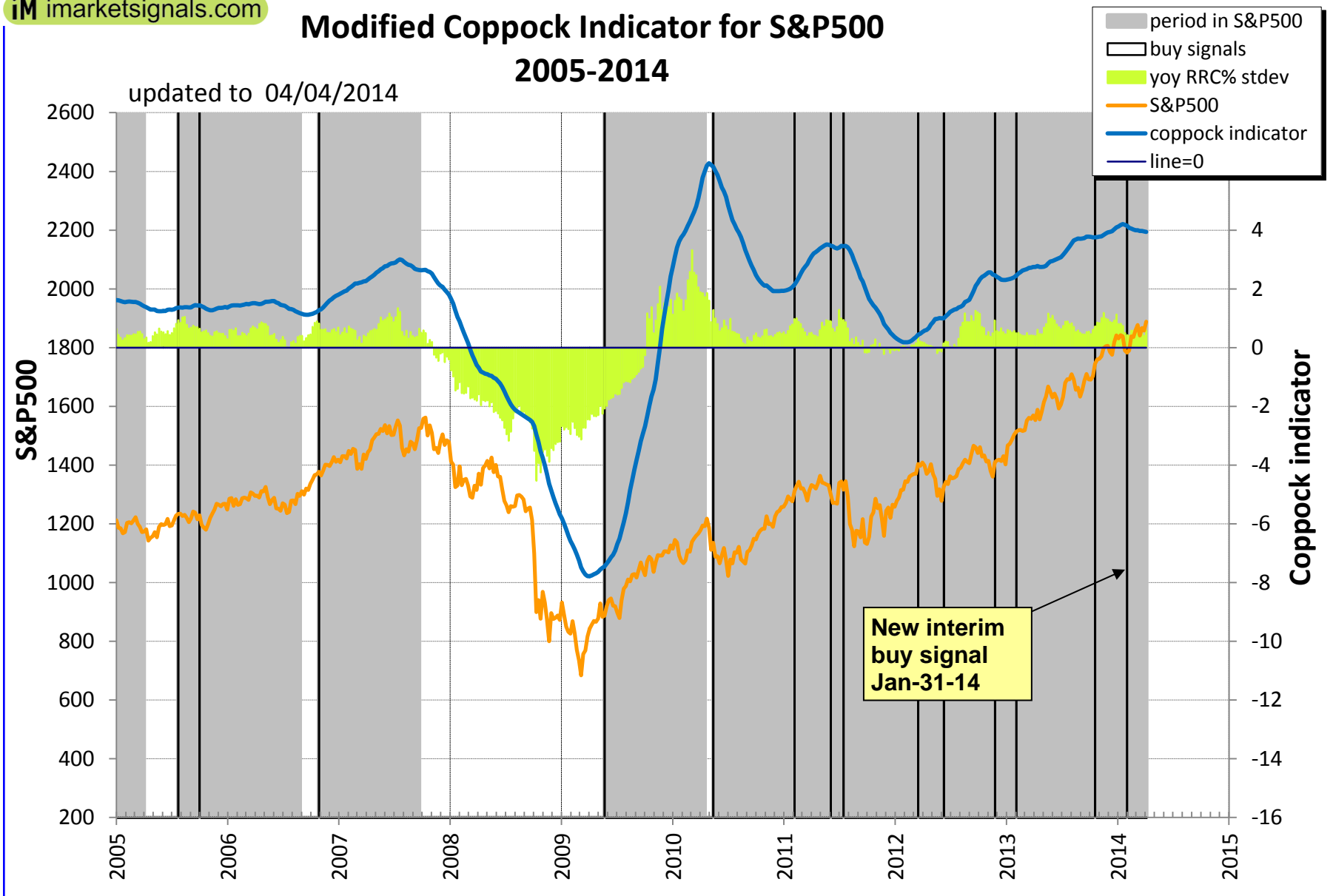
Unemployment Rate and Recessions (real-time) 2000-2014

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

updated to 4-25-2014 with March UER= 6.7%



Modified Coppock Indicator for S&P500 2005-2014



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

updated to 4/3/14, current 1-year rolling return= 10.17%

