

Business Cycle Index 9-25-14

The BCI at 180.6 is up from last week's upward revised 178.8. The BCIg, the six month smoothed annualized growth of BCI, is at 19.1 also up from last week's upward revised 18.5.

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

Summary 9-26-14:

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 down from 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 79 weeks ago when the WLIg_shortEMA moved below the WLIg_longEMA. This signal was obviously incorrect. Another Sell A signal was generated 13 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 lower from 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 down from 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, 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.](#)

iM's Business Cycle Index (BCI)

BCIp, BCI and BCIG
updated to September 25, 2014

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

Date	08/28	09/04	09/11	09/18	09/25
BCIp	99.3	100.0	100.0	100.0	100.0
BCI	177.1	177.9	178.2	178.8	180.6
BCIg	17.8	18.0	18.3	18.5	19.1

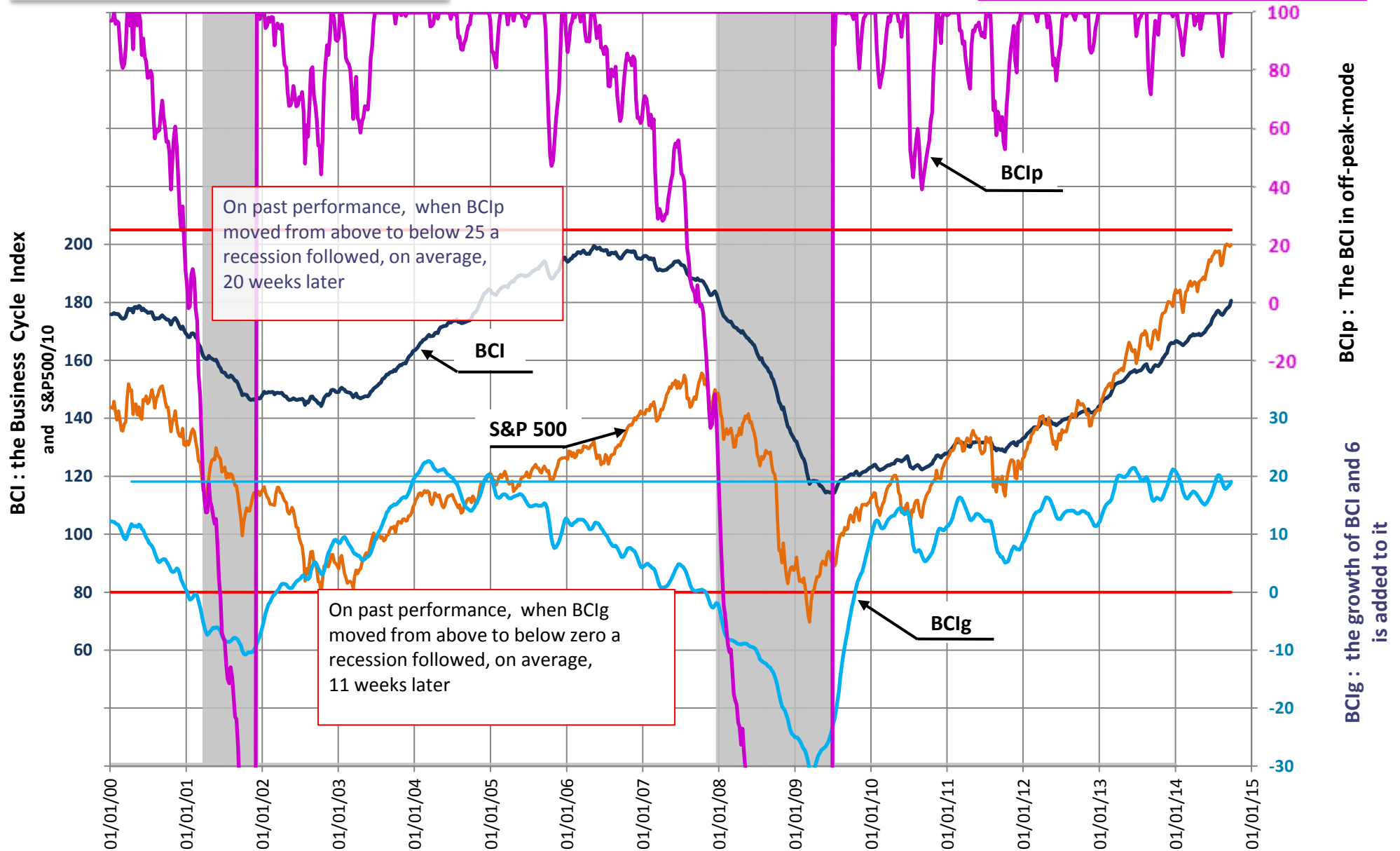
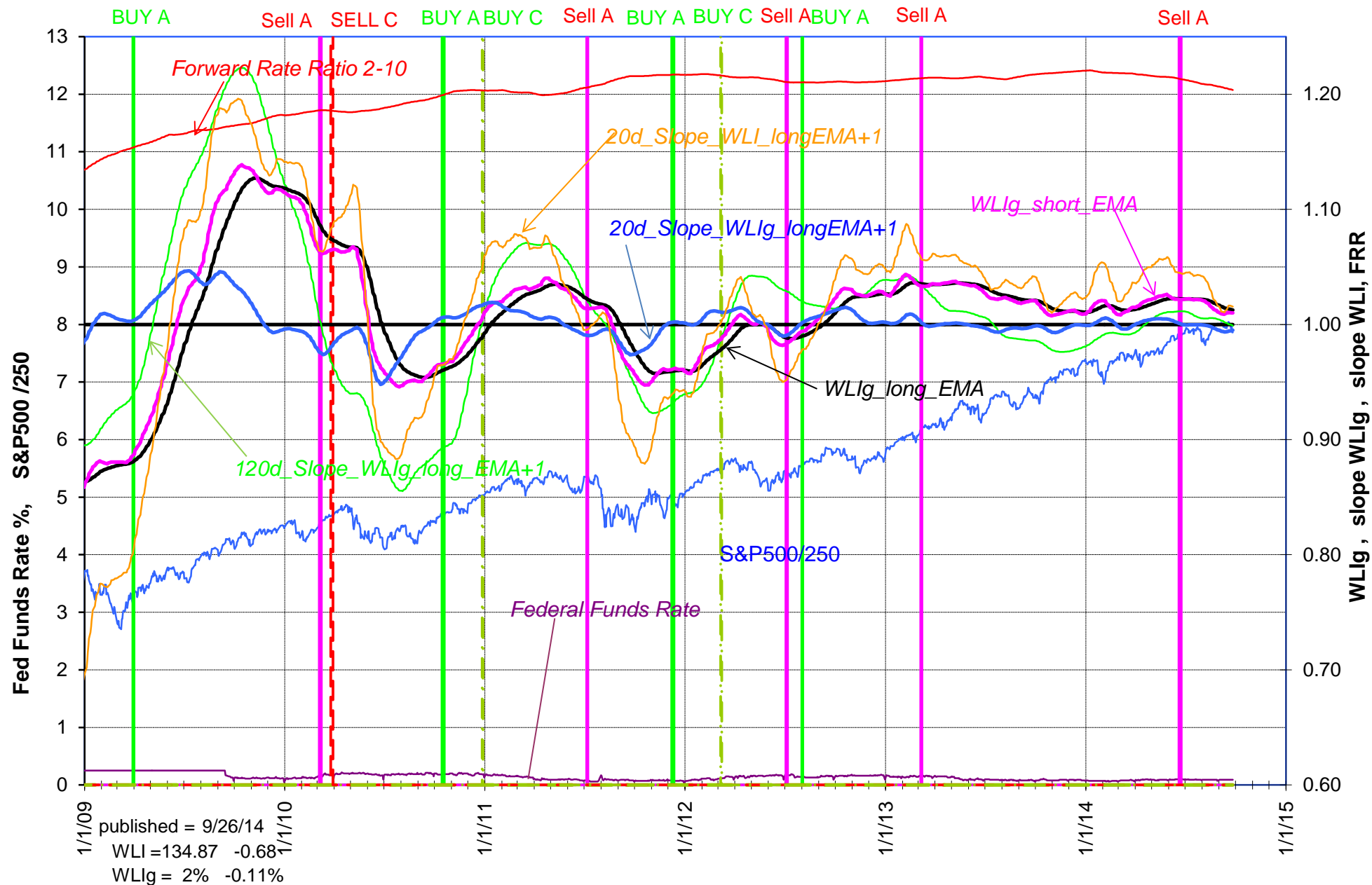


Figure 1 : 2009-14 Fed Funds Rate, S&P 500, FRR, WLlg, slope WLlg, slope WLI updated to....9/26/14

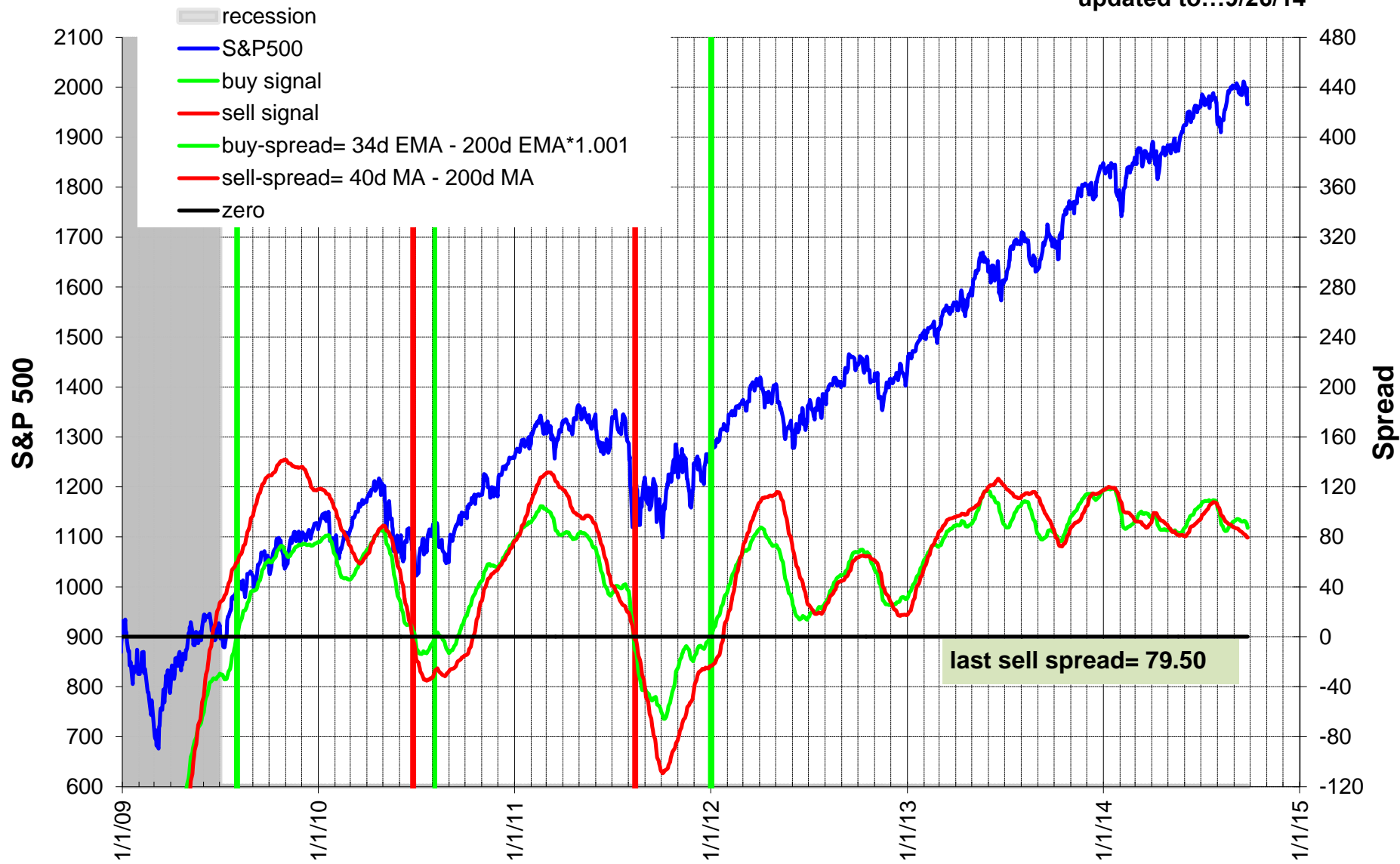


Please note: Past performance does not guarantee future returns, investments may increase or decrease in value and you may lose money using this model.

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



updated to...9/26/14



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

updated to Sep-26-14
last sell spread= 191.77

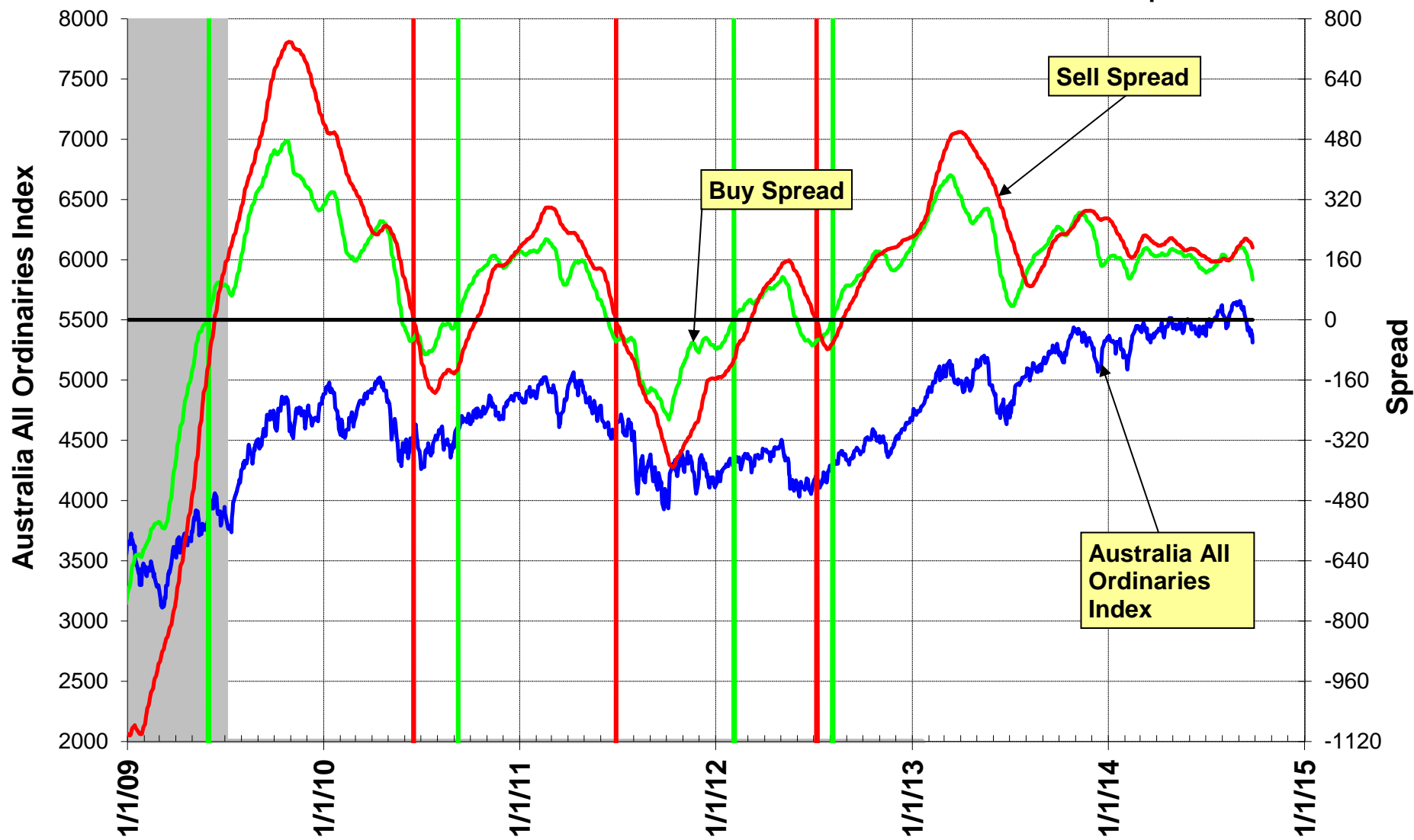


Fig. 3: COMP Leading Indicator of US Economy 1969-2014

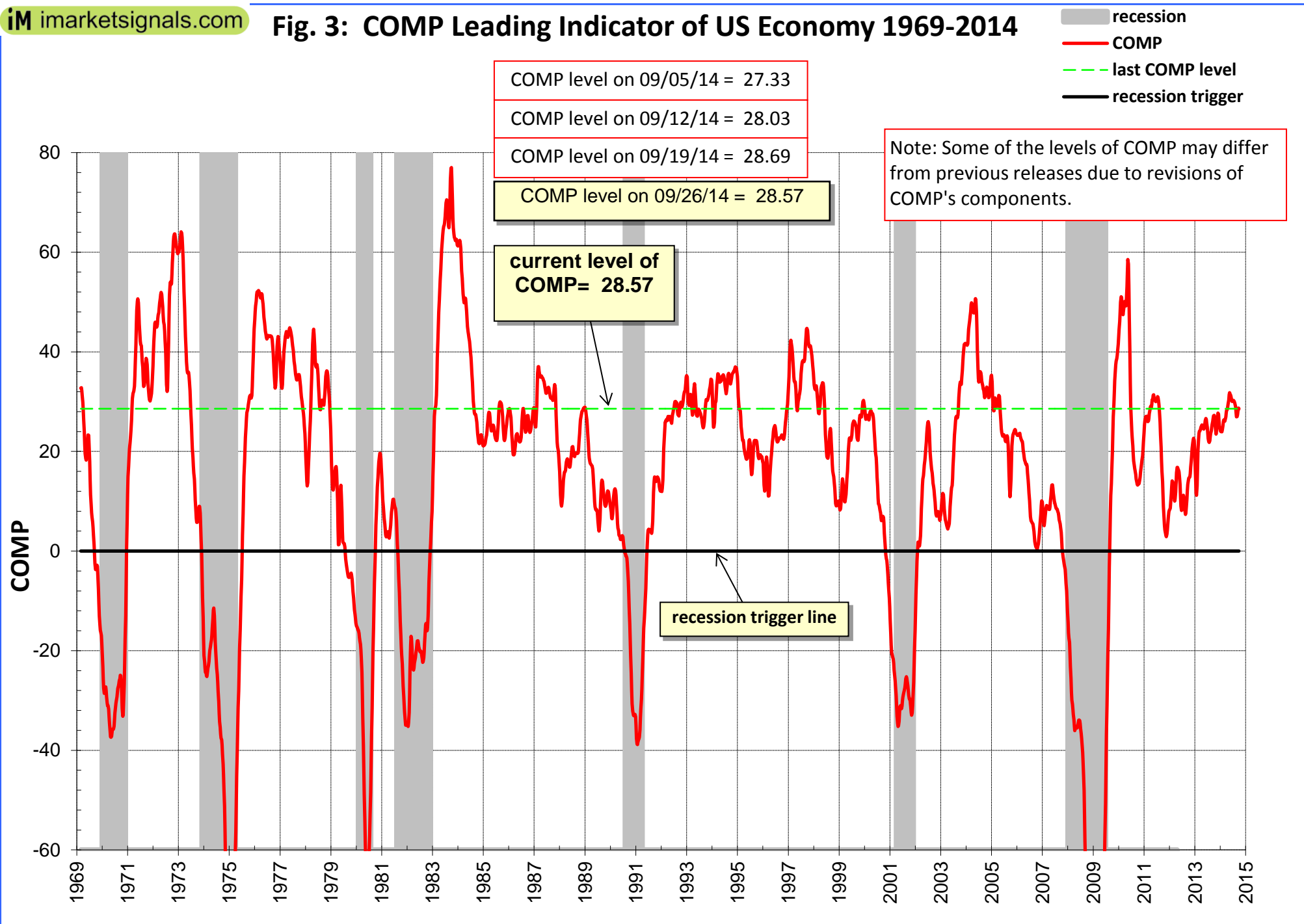


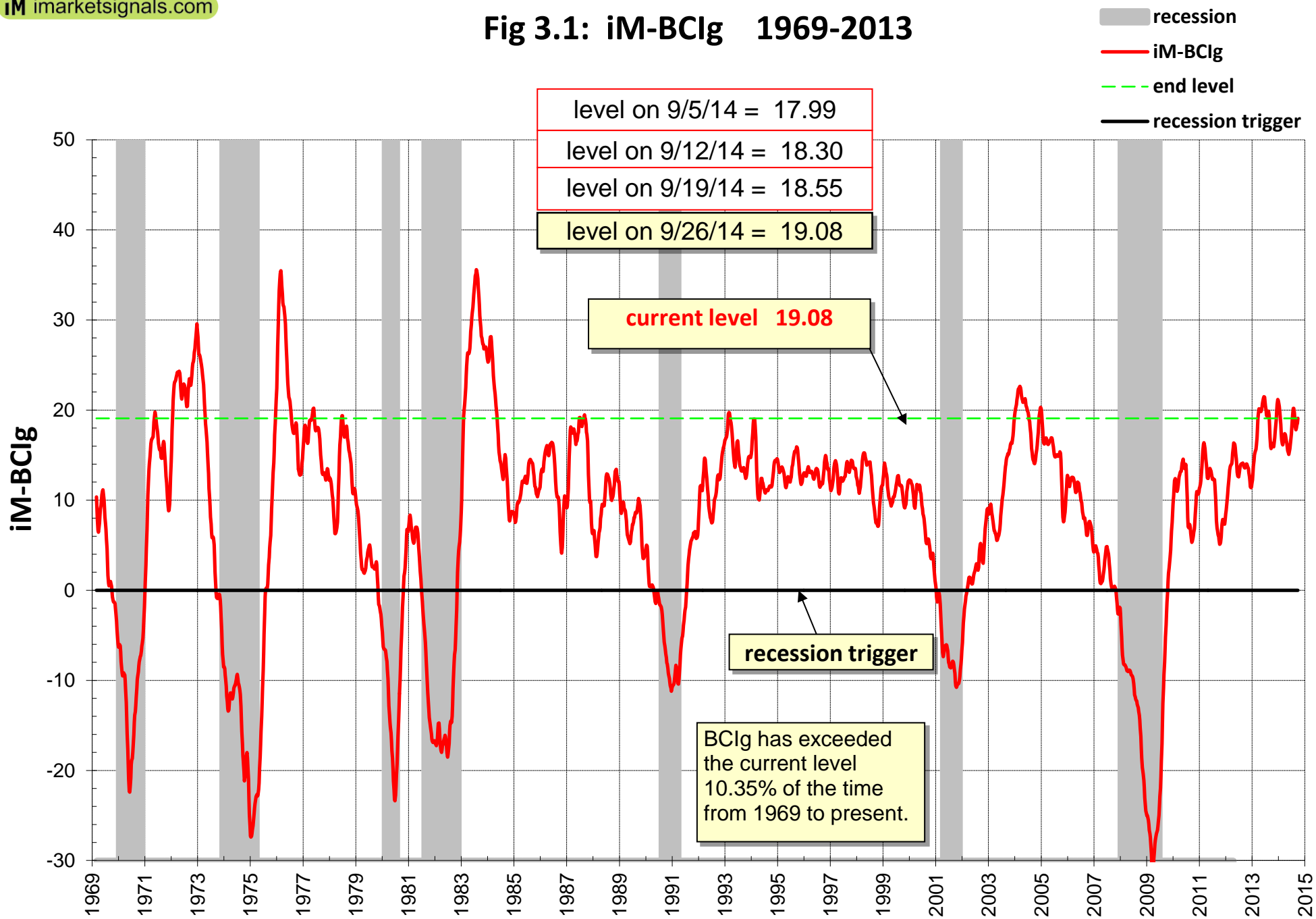
Fig 3.1: iM-BCI_g 1969-2013

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



Figure 5: $i10 - i2$ Updated to.....9/26/14

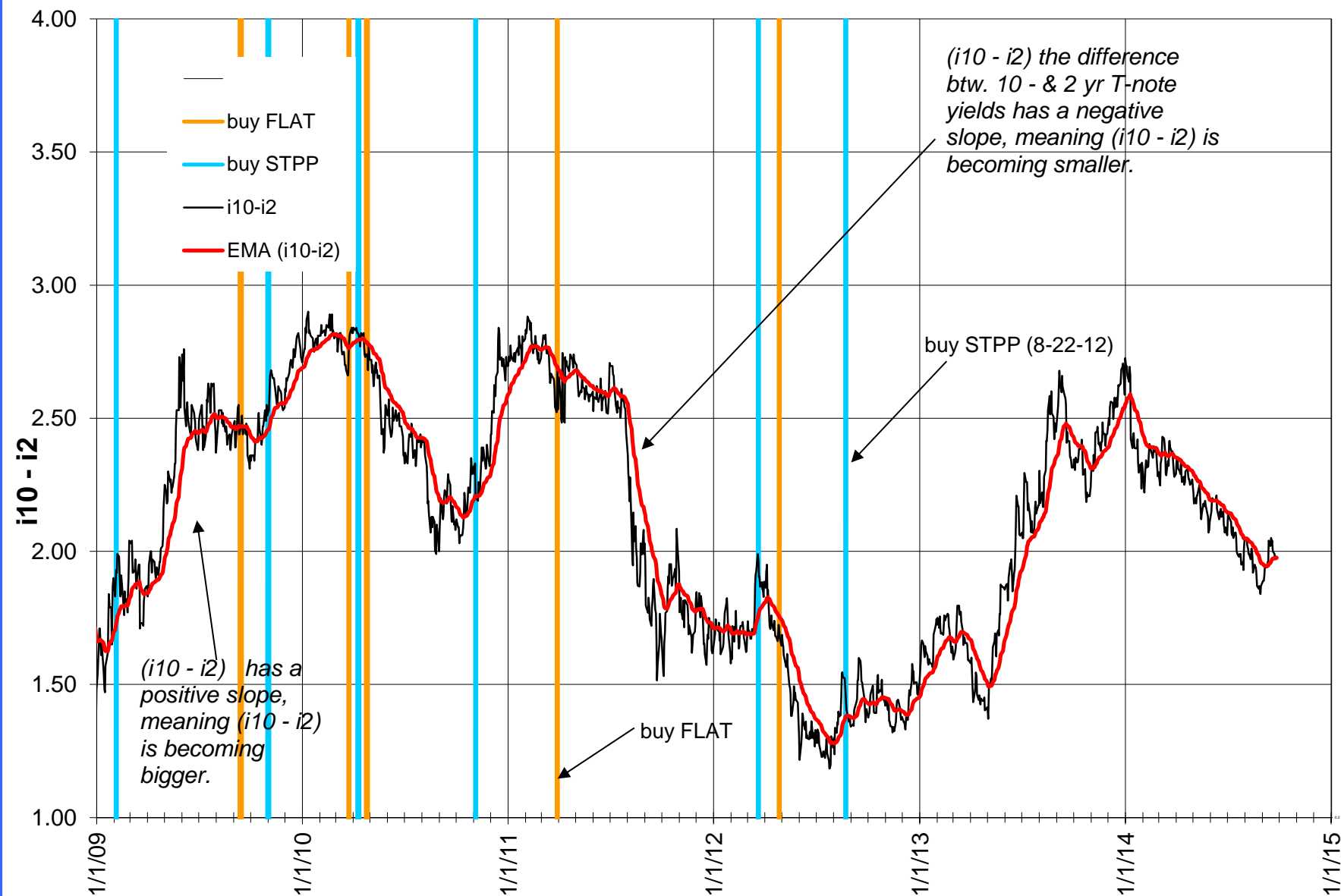


Figure 6: Modified Coppock Indicator for Gold 2005-2014

updated to 09/26/2014

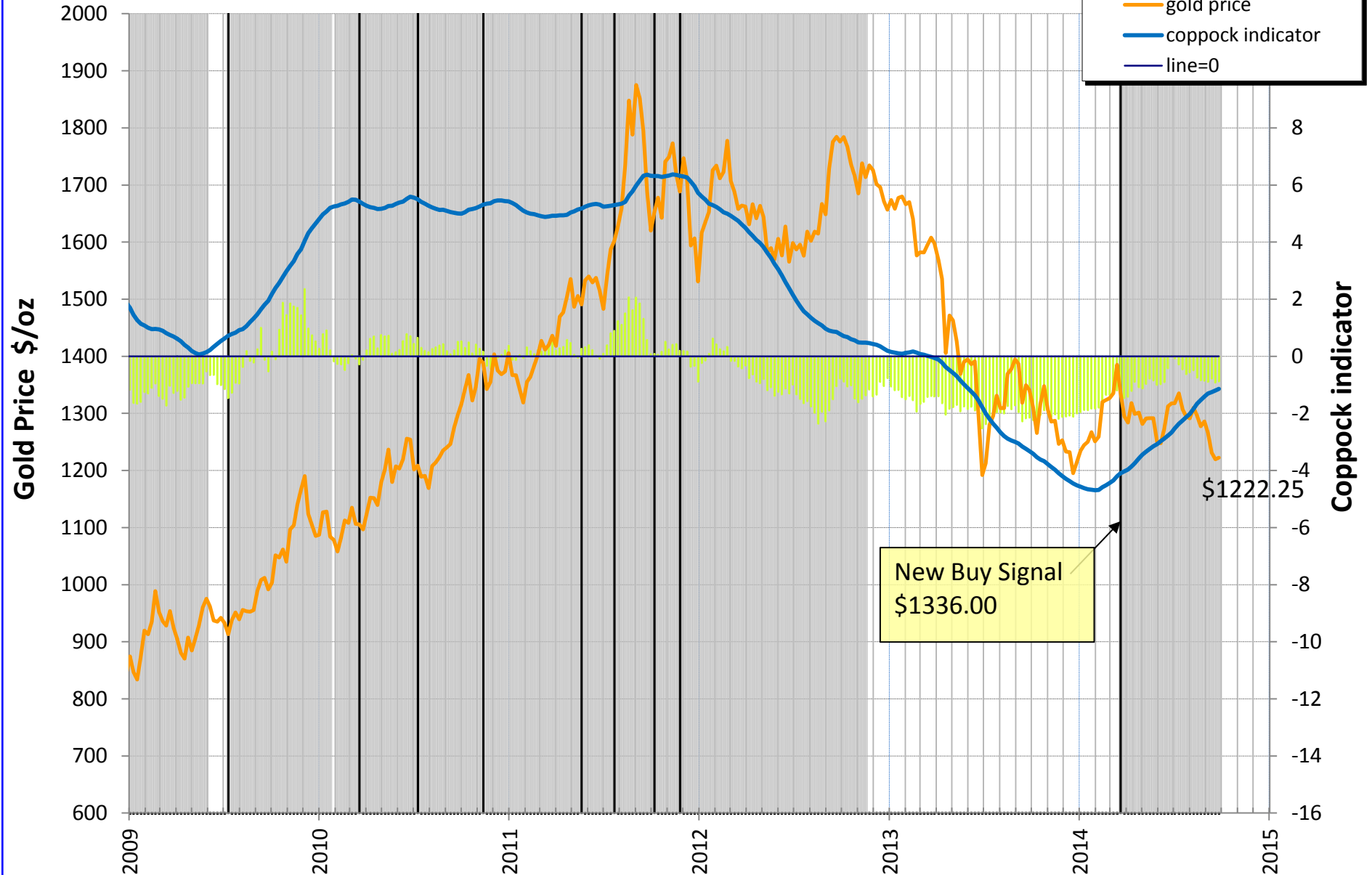


Figure 7: Modified Coppock Indicator for Silver 2005-2014

updated to 09/26/2014

