**Business Cycle Index 9-17-2015:**

The BCI at 193.9 is higher than last week's 193.0. However, the 6-month smoothed annualized growth BCIg at 10.8 is lower compared to last week's 10.9, and BCIp at 92 indicates that for this business cycle the BCI is lower than its previous peak.
No recession is signaled.

## Summary 9-18-2015:

Both the MAC-US and MAC-AU generated sell signals three weeks ago, however the IBH stock market models is still invested, the bond market model avoids high beta (long) bonds, the trend of yield spread is indeterminate. Both the gold and silver models are invested. The recession indicators COMP, and BCIg, are both down from last week's level.

**Stock-market:**

The IBH-model is invested in the markets., The IBH model relies mostly on the long and short EMAs of the U.S. Weekly Leading Index's growth rate. The IBH-model is described here and the latest rules can be found here .

The MAC-US model generated a sell signal three week ago and thus in cash. The buy-spread is down from last week's level. MAC-US Fig 2 shows the spreads of the moving averages. The buy spread (green graph) has to move above the zero line for a buy signal.

The 3-mo Hi-Lo Index of the S&P500 signaled an exit from the stock market at the end of April 2015. For a buy signal to emerge the 40-day moving average of the index must move from below to above 5.0%.

The MAC-AU model generated a sell signal three week ago and thus in cash. The buy-spread is lower than last week's level. The next buy signal will emerge once the buy spread (green graph) moves above the zero line. This model and its application is described in MAC-Australia: A Moving Average Crossover System for Superannuation Asset Allocations.

**Recession:**

Fig. 3 shows COMP down from 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 recession indicator iM-BCIg is down from last week's level. A imminent recession is not signaled.

Fig 3.2 shows the long leading recession indicator FFR2-10. This indicates we are far from a recession.

**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 than 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. . It would appear that BVR has peaked end of January 2015.

**The Yield Curve:**

The yield curve model indicates the trend of the 10-year and 2-year Treasuries yield spread. Figure 5 charts (i10 – i2) and it would appear that the spread has formed a trough and was rising and now the general trend is indeterminate. However, this model has generated a "buy FLAT" signal a week ago. 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 Update Summary 9-4-2015:**

**Unemployment**

The unemployment rate recession model (article link), has been updated with the August UER of 5.1%. 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 and a sell signal early in January. This model is now out of the market. This indicator is described here .

**Trade Weighted USD**

A downward trend of the Trade Weighted USD (TW$) could signal the start of possible increases in federal fund rates. The TW$ after an interim decline is recovering and the 6 month moving average trend remains upward. Please see our article and Buffett and Welch comment

**TIAA Real Estate Account**

As of end of August 2015 the 1-year rolling return is 10.39%. The Vanguard REIT Index Fund seemingly is retreating from the all-time high; however, the good positive returns of TIAA Real Estate Account are expected to continue. A sell signal is not imminent.

Read more …

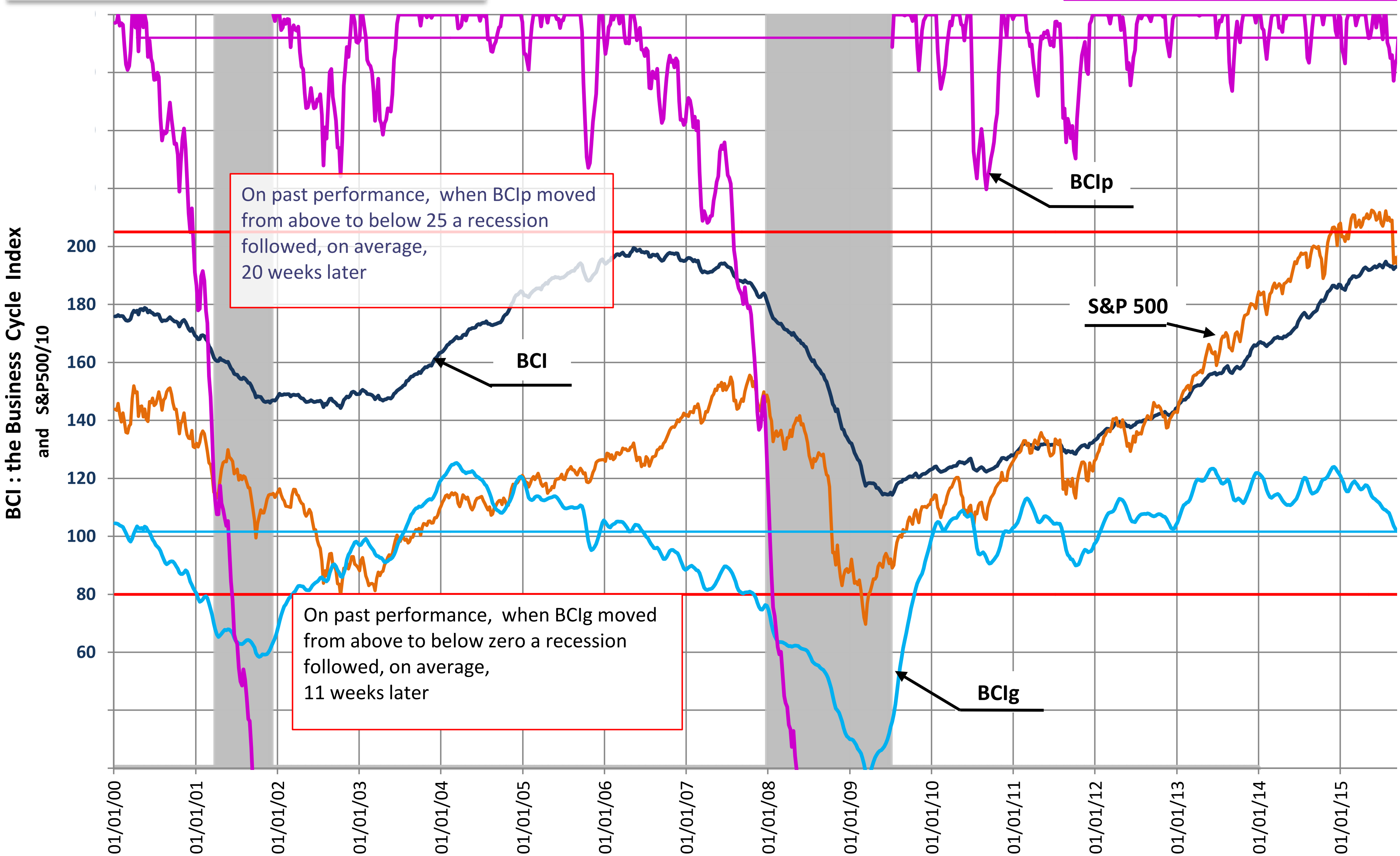
# iM's Business Cycle Index (BCI)

**BCIp, BCI and BCIg**
**updated to September 17, 2015**

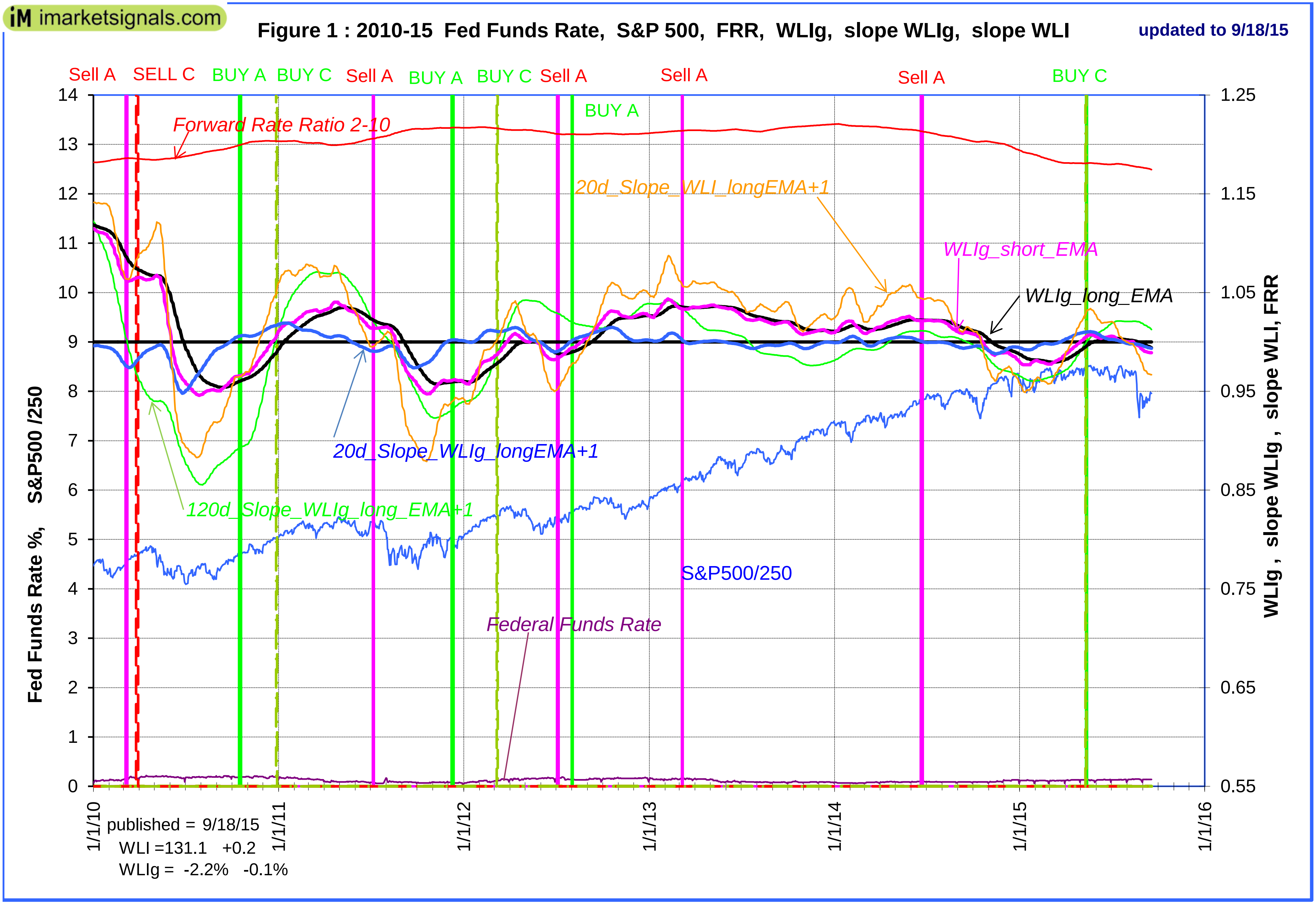
imarketsignals.com

| Date | 08/20 | 08/27 | 09/03 | 09/10 | **09/17** |
|---|---|---|---|---|---|
| BCIp | 86.0 | 77.1 | 83.4 | 84.6 | **92.0** |
| BCI | 193.2 | 192.1 | 192.9 | 193.0 | **193.9** |
| BCIg | 12.6 | 11.8 | 11.3 | 10.9 | **10.8** |

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



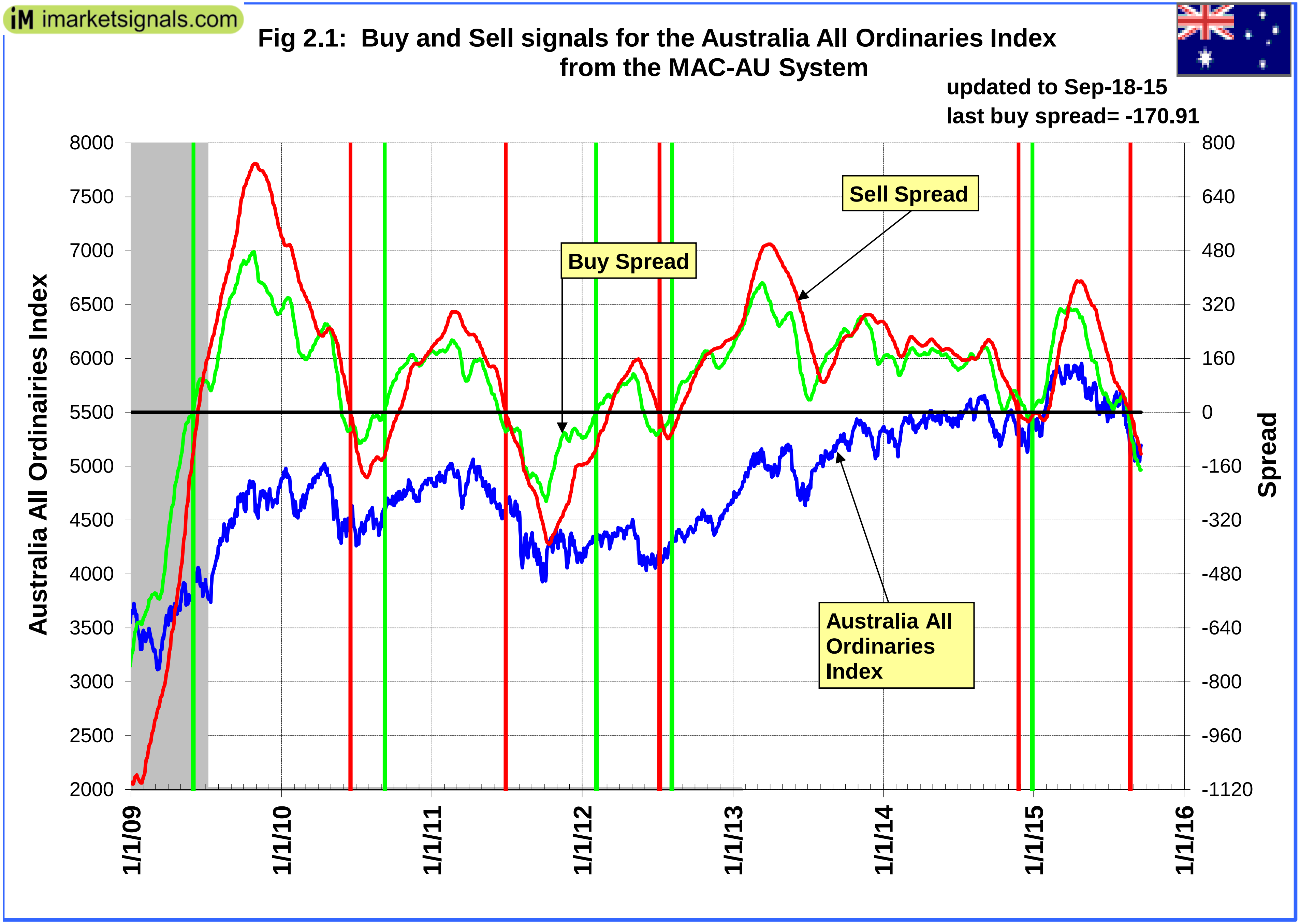
Please note: Past performance does not guarantee future returns, investments may increase or decrease in value and you may lose money using this model.




*WLIg = ECRI Weekly Leading Index growth/200 +1* *WLI = (ECRI Weekly Leading Index -50)/10*

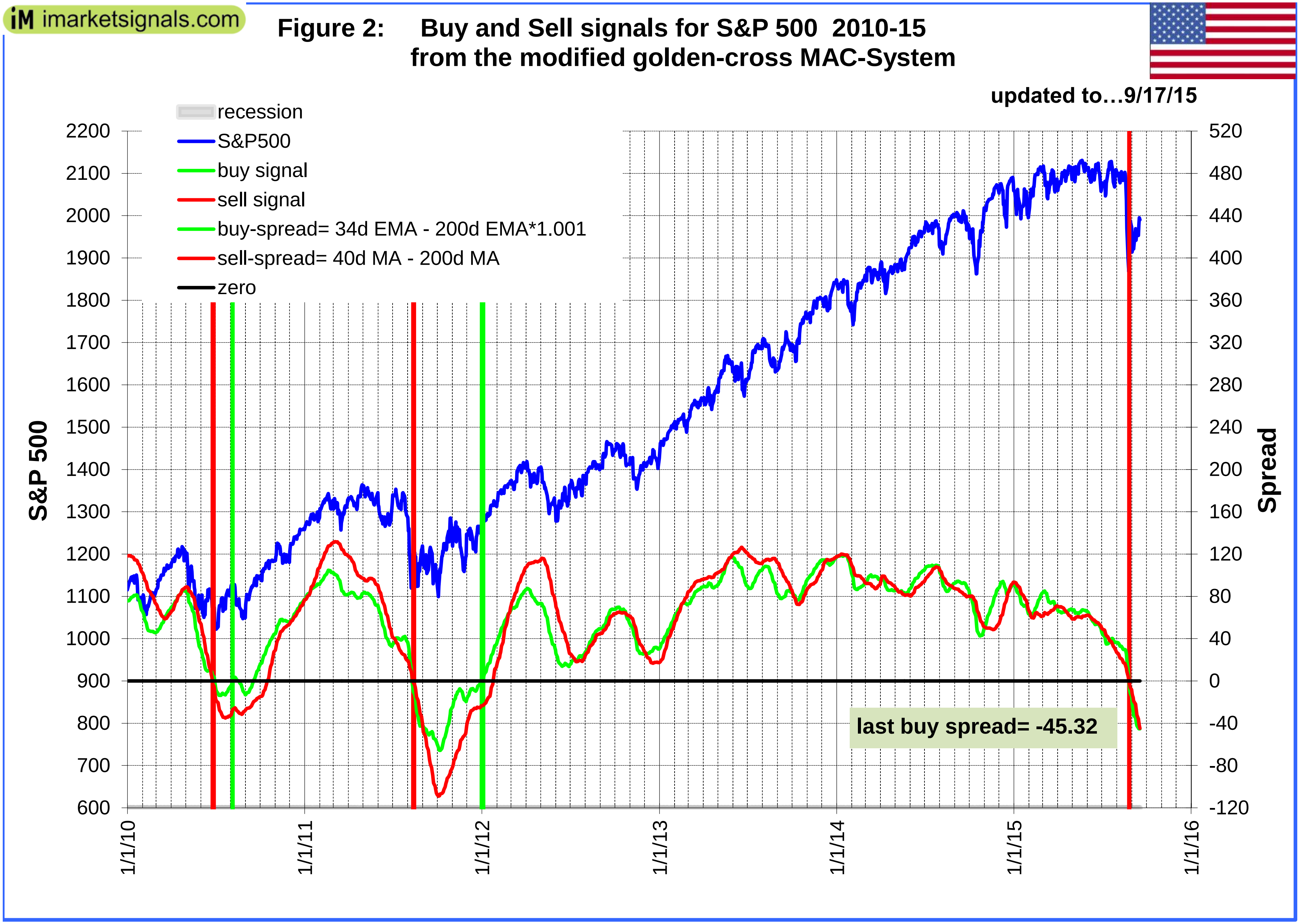
1-IBH -FRR

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

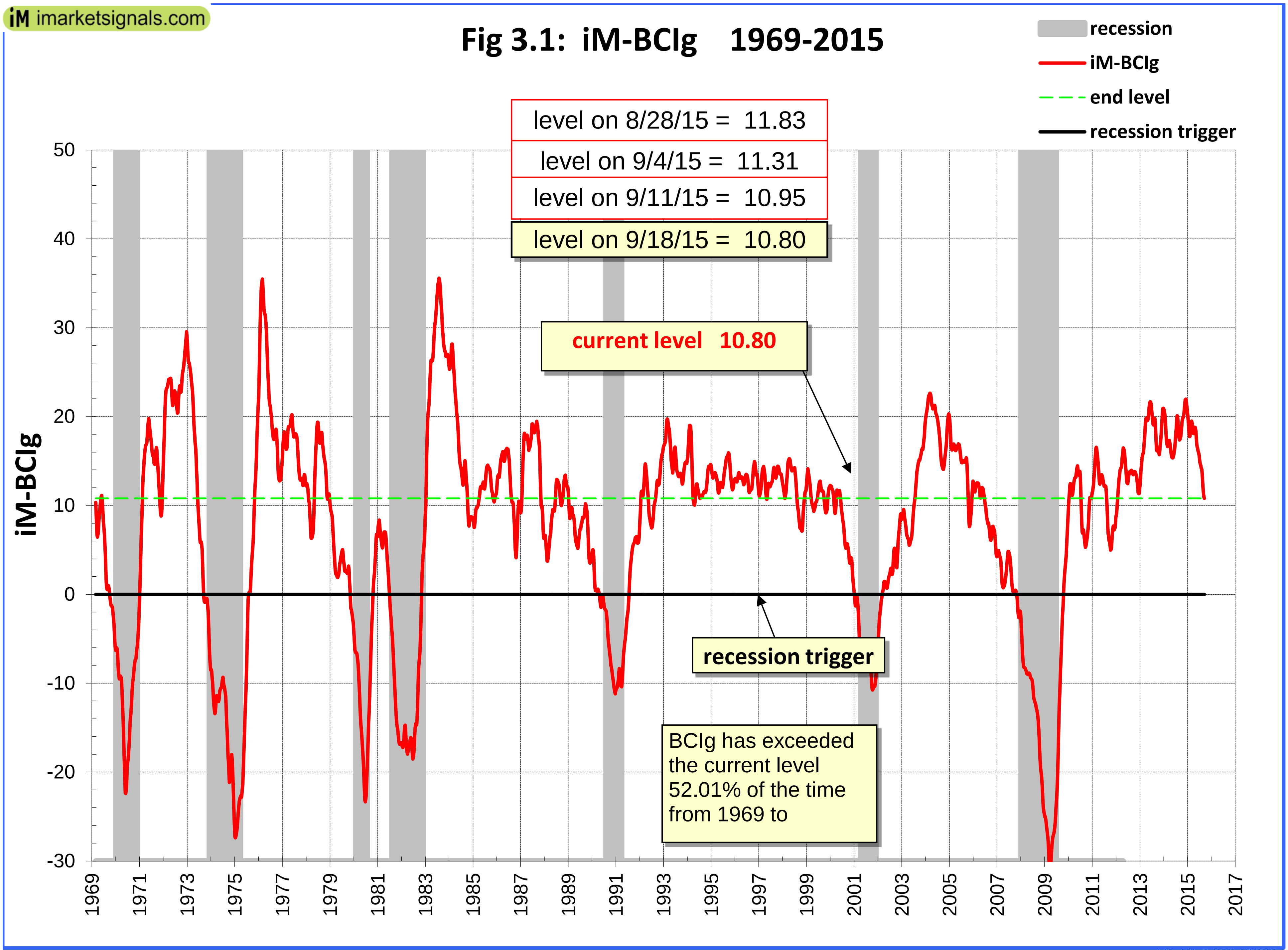



2.1-MAC Australia

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

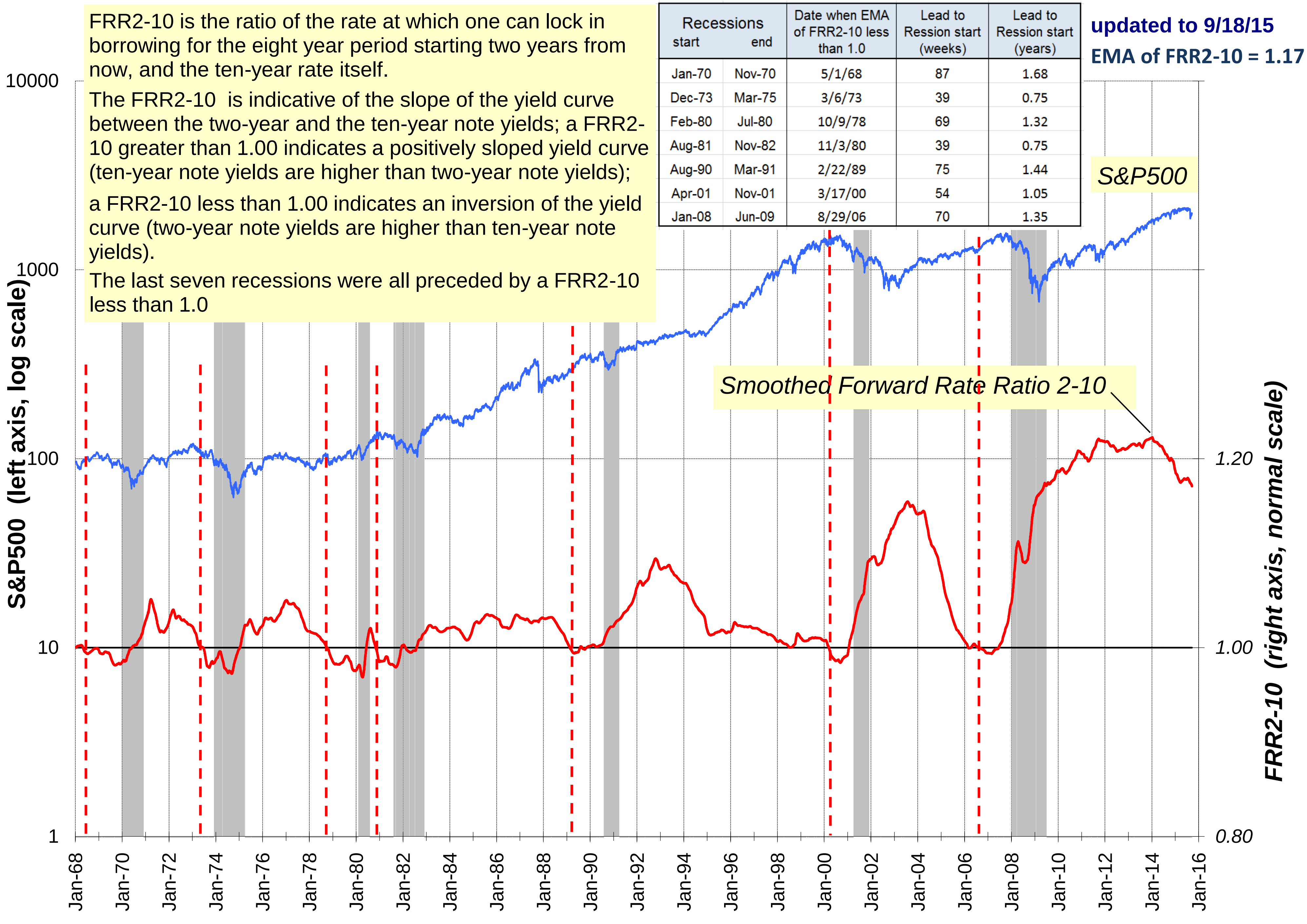



2-MAC rev8-27-15

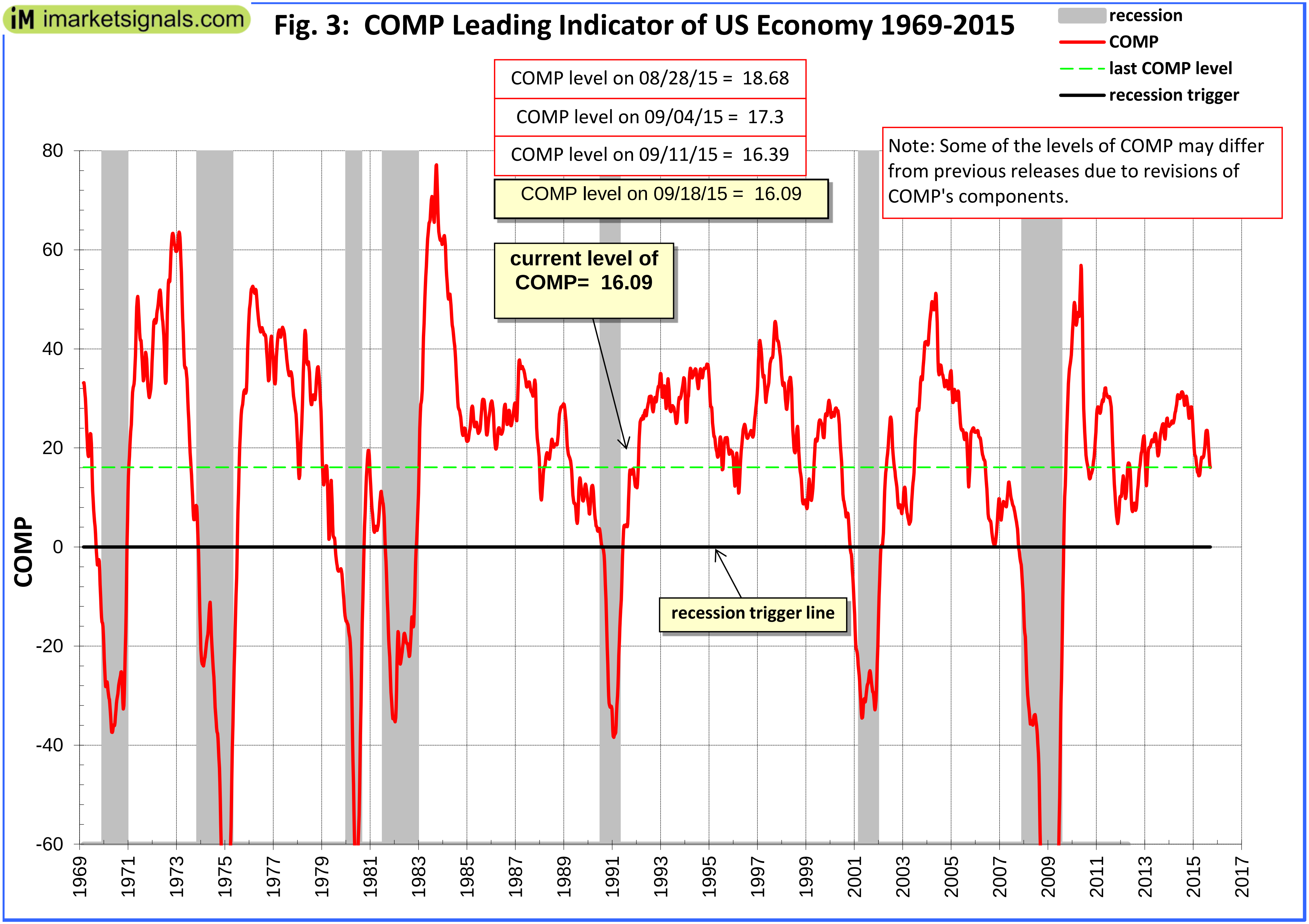

iM imarketsignals.com
Fig 3.1: iM-BCIg 1969-2015
recession
iM-BCIg
end level
recession trigger
level on 8/28/15 = 11.83
level on 9/4/15 = 11.31
level on 9/11/15 = 10.95
level on 9/18/15 = 10.80
current level 10.80
recession trigger
BCIg has exceeded the current level 52.01% of the time from 1969 to
iM-BCIg
BCIg Toni.xlsm

iM imarketsignals.com

# Figure 3.2: Forward Rate Ratio FRR2-10 - leads to Recessions

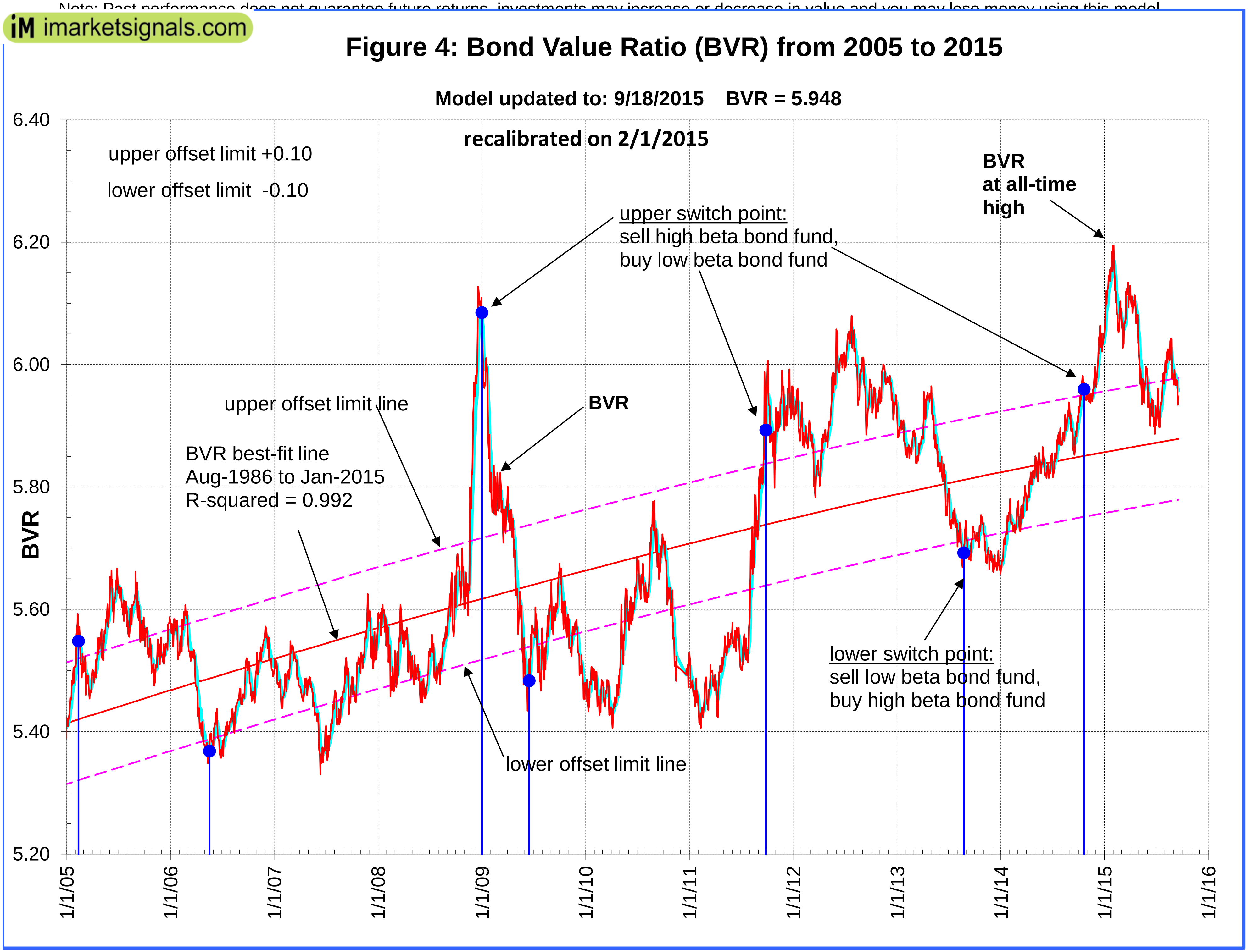



| Recessions start | Recessions end | Date when EMA of FRR2-10 less than 1.0 | Lead to Ression start (weeks) | Lead to Ression start (years) |
|---|---|---|---|---|
| Jan-70 | Nov-70 | 5/1/68 | 87 | 1.68 |
| Dec-73 | Mar-75 | 3/6/73 | 39 | 0.75 |
| Feb-80 | Jul-80 | 10/9/78 | 69 | 1.32 |
| Aug-81 | Nov-82 | 11/3/80 | 39 | 0.75 |
| Aug-90 | Mar-91 | 2/22/89 | 75 | 1.44 |
| Apr-01 | Nov-01 | 3/17/00 | 54 | 1.05 |
| Jan-08 | Jun-09 | 8/29/06 | 70 | 1.35 |



iM imarketsignals.com
Fig. 3: COMP Leading Indicator of US Economy 1969-2015
recession
COMP
last COMP level
recession trigger
COMP level on 08/28/15 = 18.68
COMP level on 09/04/15 = 17.3
COMP level on 09/11/15 = 16.39
COMP level on 09/18/15 = 16.09
Note: Some of the levels of COMP may differ from previous releases due to revisions of COMP's components.
current level of COMP= 16.09
recession trigger line
COMP
80
60
40
20
0
-20
-40
-60
1969
1971
1973
1975
1977
1979
1981
1983
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017

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




4-BVR recalibrated fig4BVR06-14

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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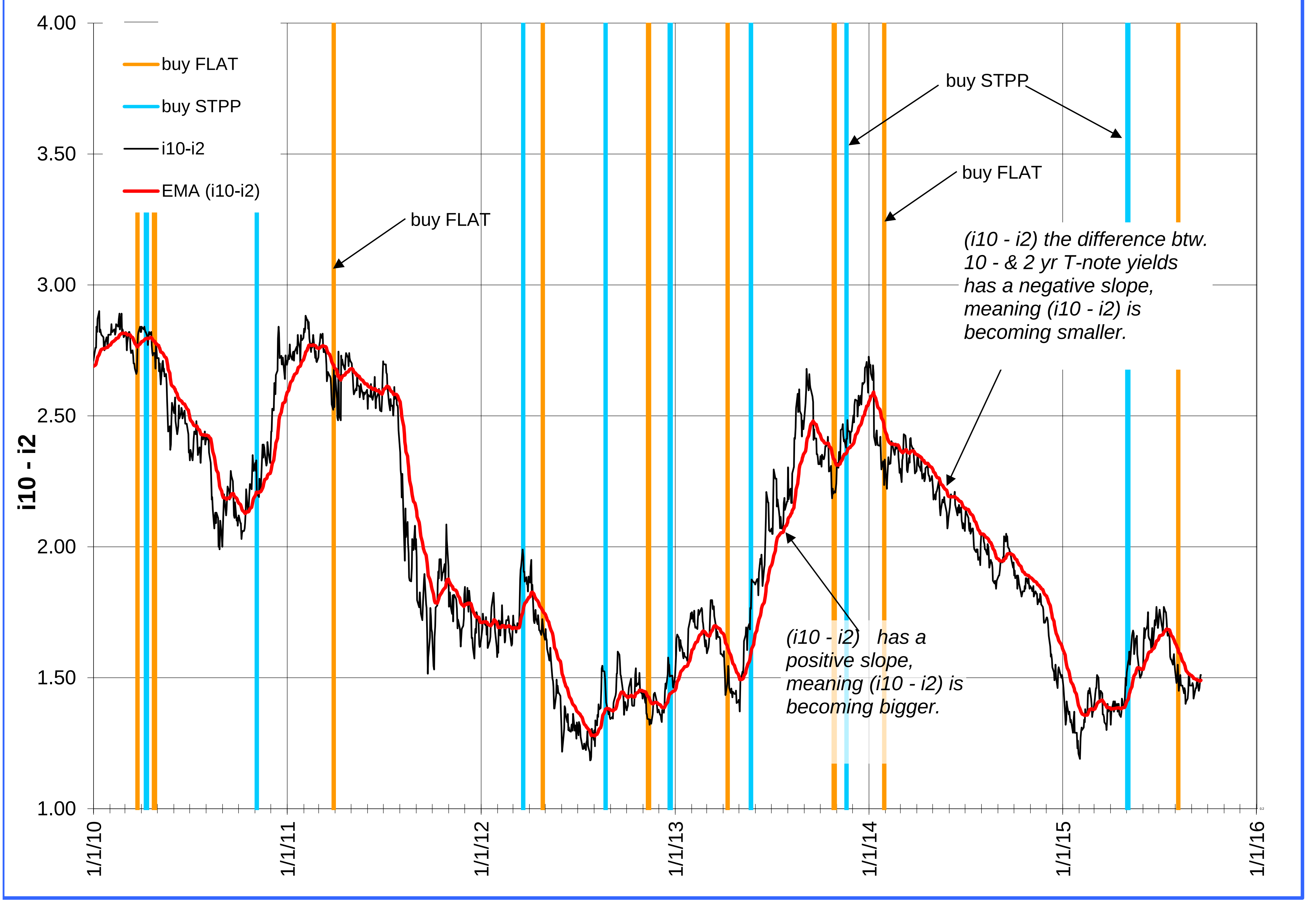
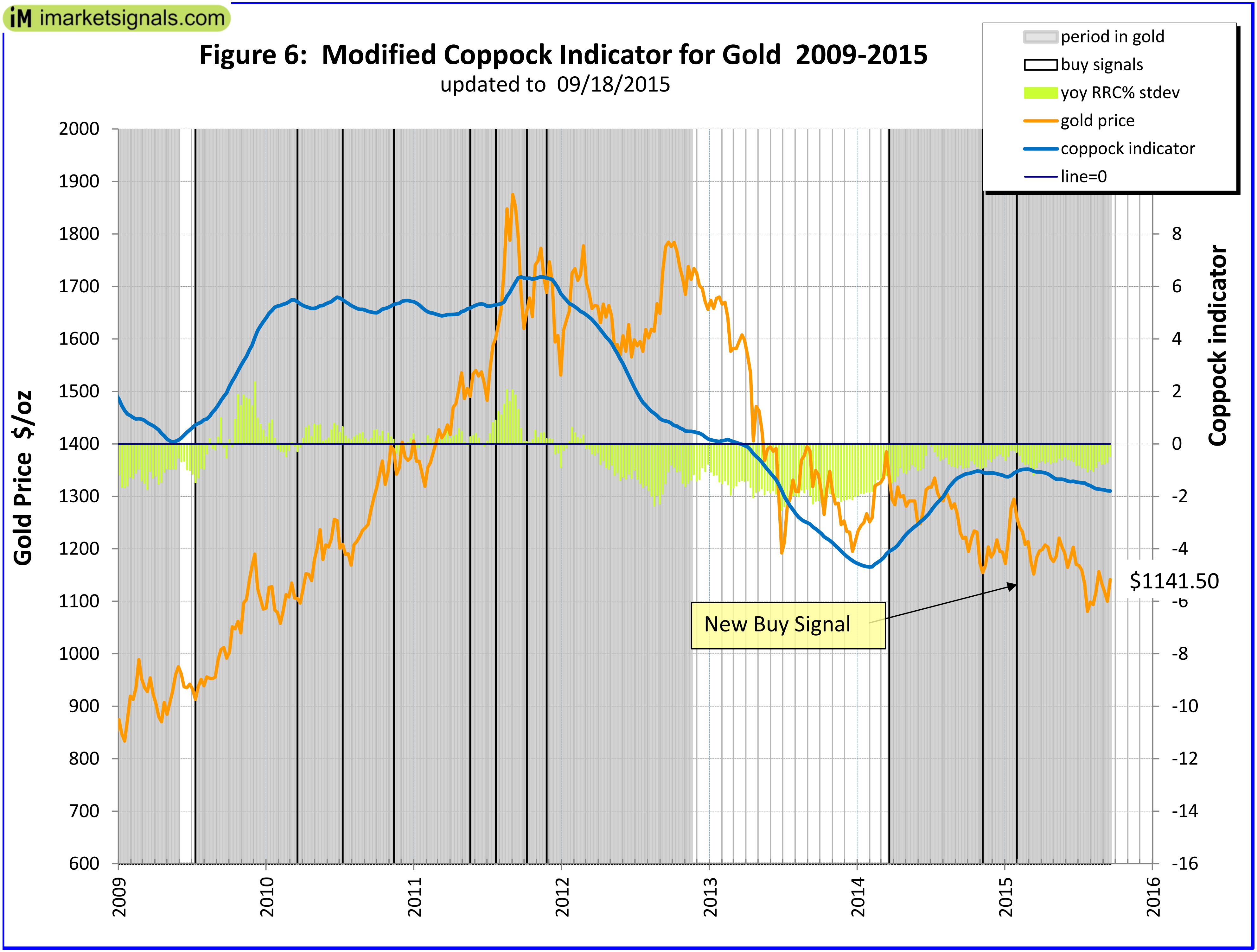
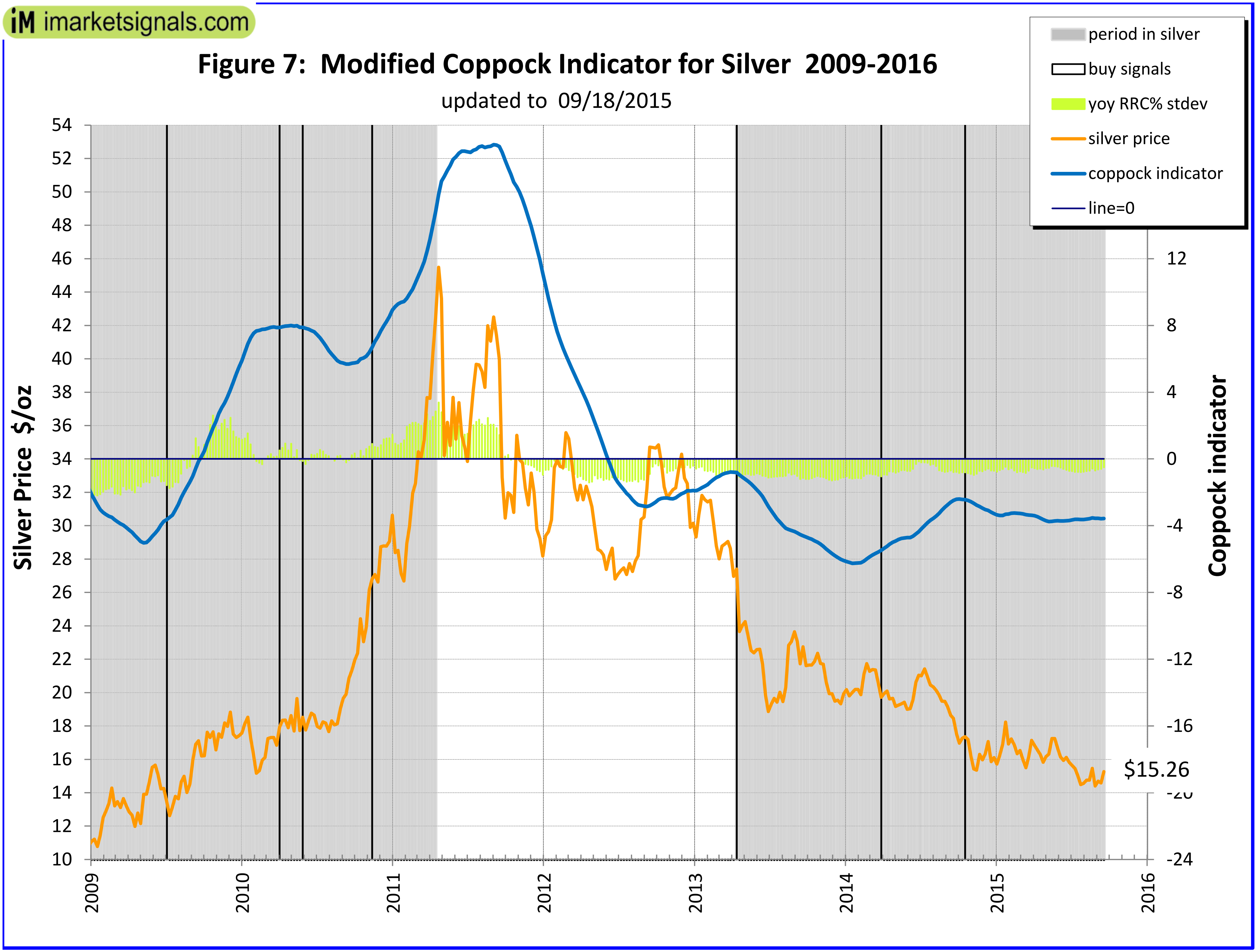
# Figure 5: i10 - i2

**Updated to.....9/18/15**






6-COPPOCK GOLD for updates


iM imarketsignals.com
Figure 7: Modified Coppock Indicator for Silver 2009-2016
updated to 09/18/2015
period in silver
buy signals
yoy RRC% stdev
silver price
coppock indicator
line=0
Silver Price $/oz
Coppock indicator
$15.26
54
52
50
48
46
44
42
40
38
36
34
32
30
28
26
24
22
20
18
16
14
12
10
12
8
4
0
-4
-8
-12
-16
-24
2009
2010
2011
2012
2013
2014
2015
2016