

Business Cycle Index 11-19-2015:

The BCI at 196.9 is down from week's 197.5, this is slightly down from the previous peak indicated by BCIP at 91.4. The 6-month smoothed annualized growth BCIG at 12.9 is lower compared to last week's 13.4

No recession is signaled.

Summary 11-20-2015:

The MAC-US model generated a buy signal last week, thus the model is invested in the markets. However, this buy signal should be evaluated together with our other indicators. The MAC-AU remains out of the markets. The recession indicators COMP and iM-BCIG do not signal a recession. The bond market model avoids high beta (long) bonds, the trend of the yield spread is indeterminate. Both the gold and silver model are invested.

Stock-market:

The IBH-model has been discontinued

The [MAC-US](#) model generated a buy-signal last week when the buy-spread became positive. The sell-spread is increasing however it remains negative and thus the model will not generate a sell signal should there be a significant downturn in the market.

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 (MA₄₀) of the index must move from below to above 5.0%. The upward trend of MA₄₀ continued strongly this week and it may generate a buy signal next week.

The MAC-AU model generated a sell signal end of August and thus in cash. The buy-spread is higher 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 the COMP is near last week's downward 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 down from last week's level. A imminent recession is not signaled.

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. 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. 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 11-5-2015: (next update 12/4/2015)

Unemployment

The unemployment rate recession model ([article link](#)), has been updated with the September UER of 5.0%. 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.

TIAA Real Estate Account

As of end of October 2015 the 1-year rolling return is 9.70%. The Vanguard REIT Index Fund has retreated 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.

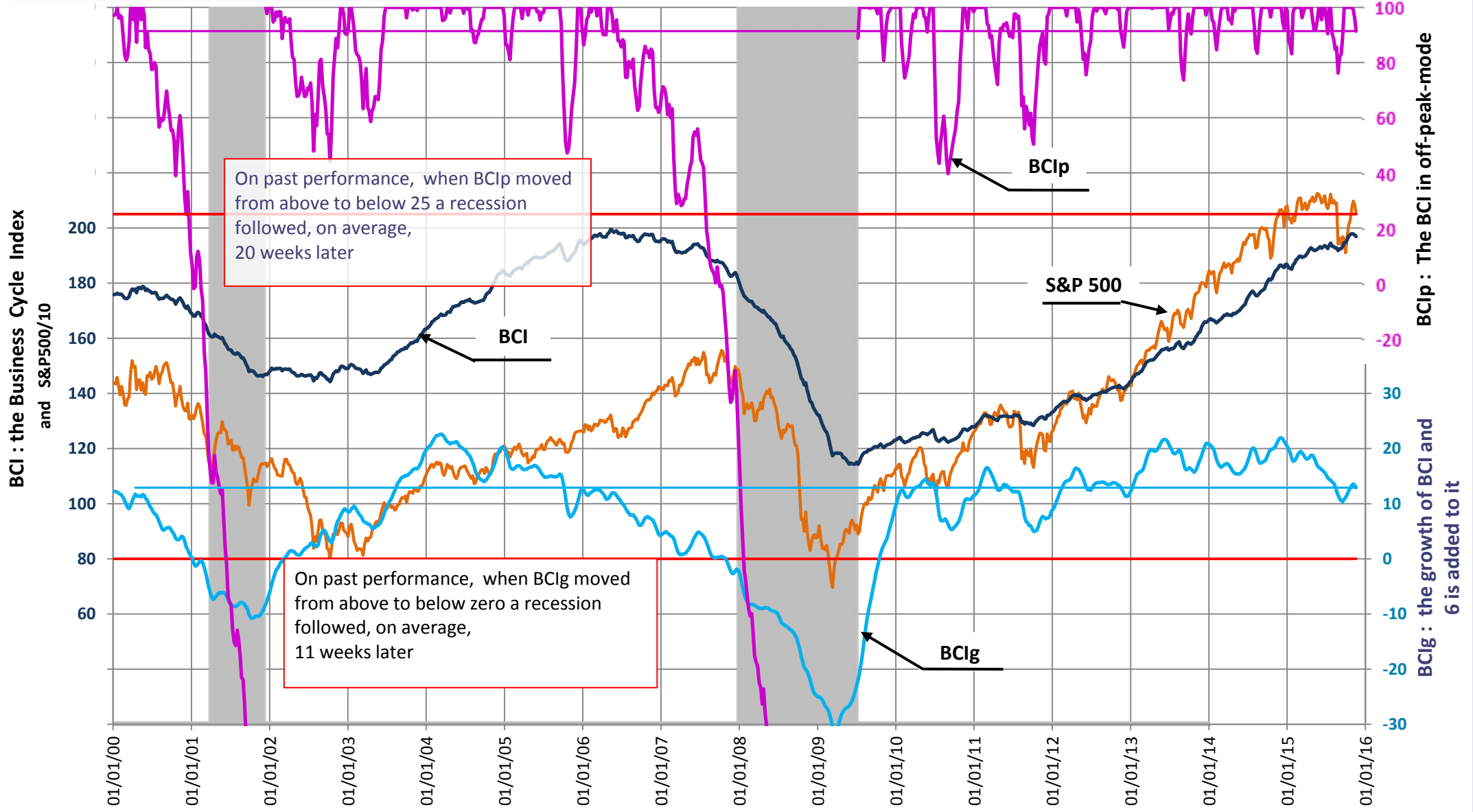
[Read more ...](#)

iM's Business Cycle Index (BCI)

Date	10/22	10/29	11/05	11/12	11/19
BCIp	100.0	100.0	99.2	96.4	91.4
BCI	197.6	197.9	197.8	197.5	196.9
BCIg	12.8	13.3	13.6	13.4	12.9

BCIp, BCI and BCIG
updated to November 19, 2015

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

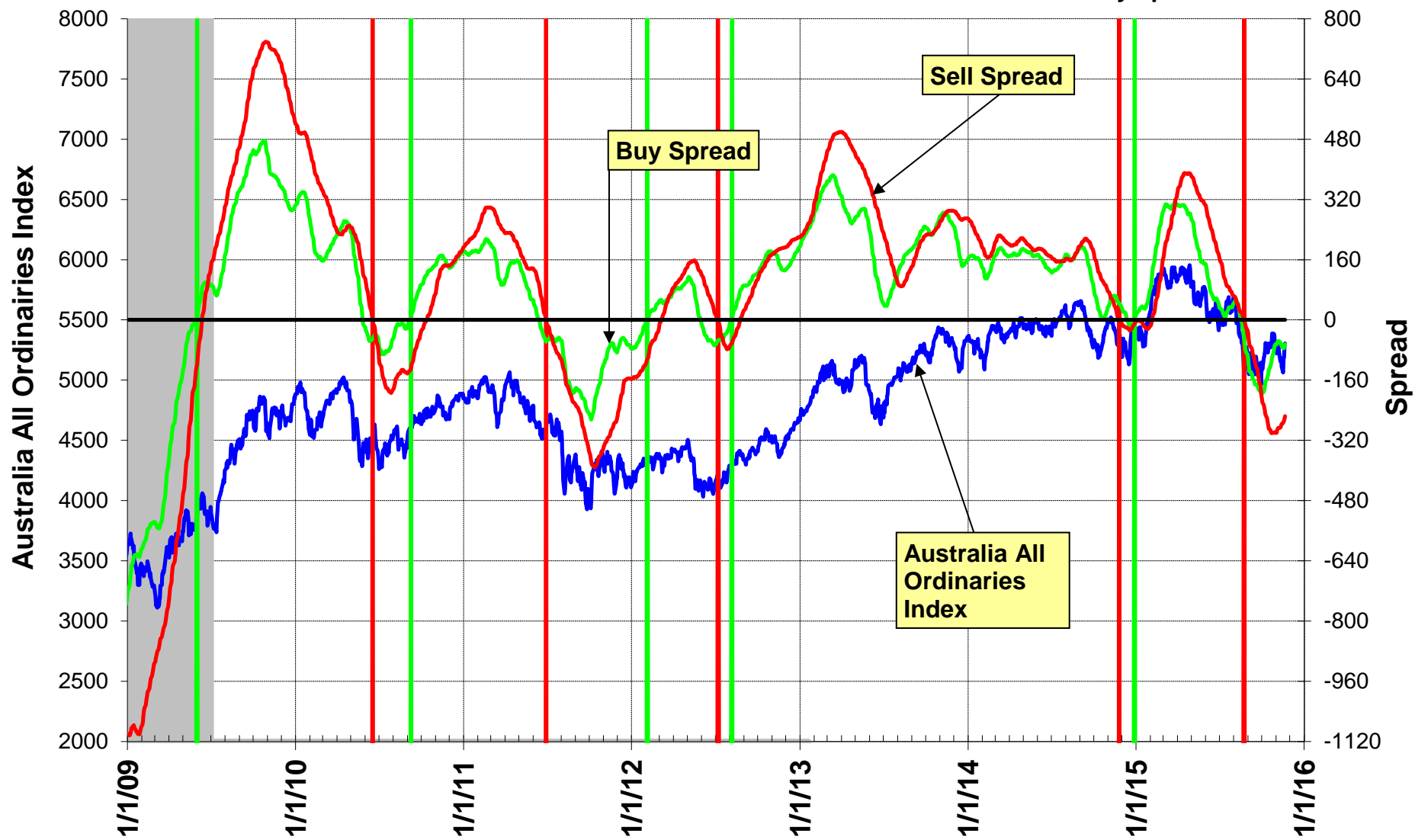


Please note: Past performance does not guarantee future returns, investments may increase or decrease in value and you may lose money using this model.



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

updated to Nov-20-15
last buy spread = -64.2



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 2010-15 from the modified golden-cross MAC-System

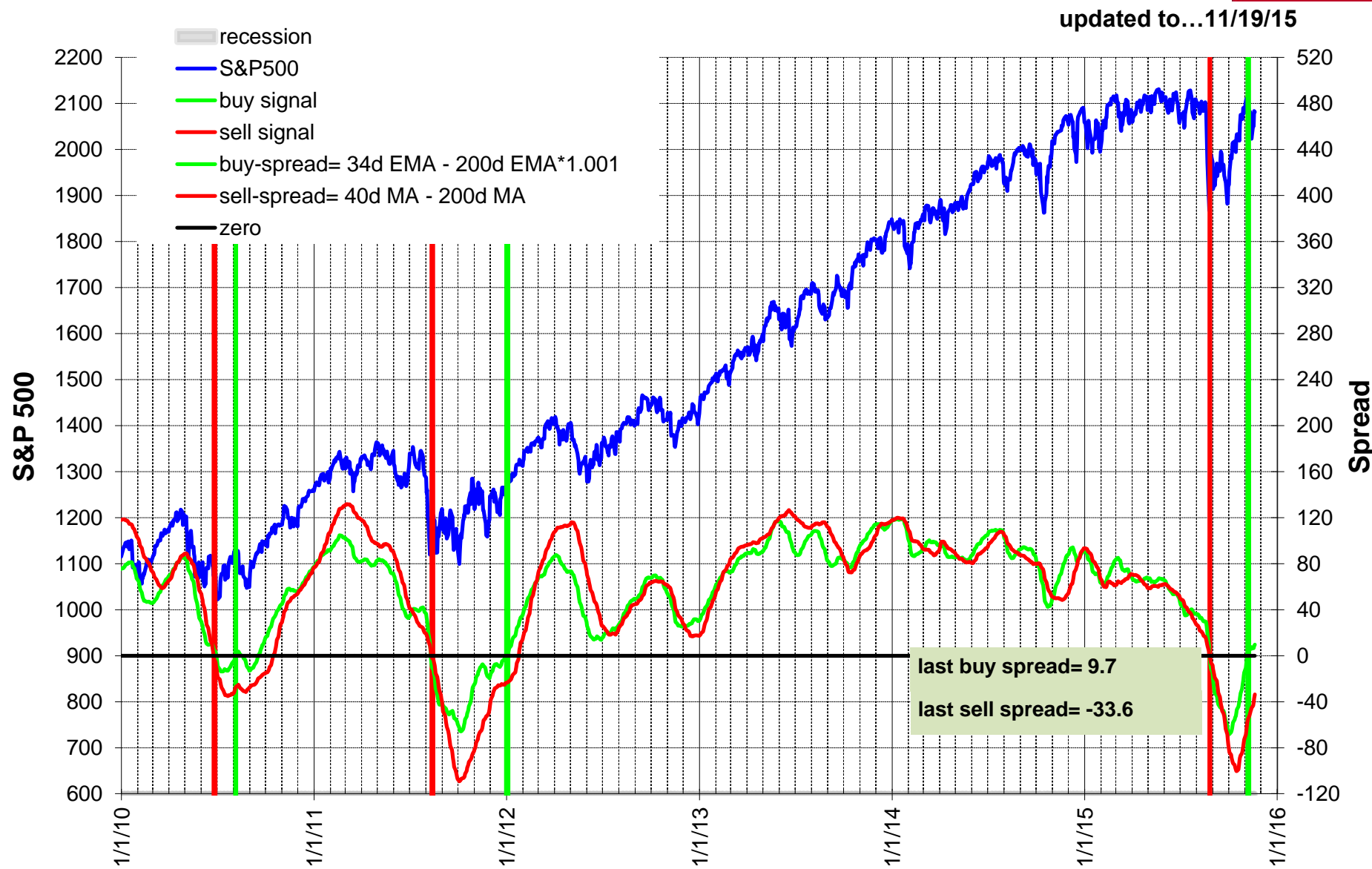


Fig 2.2 3-mo Hi-Lo Index of the S&P500 & 40-day SMA of Index

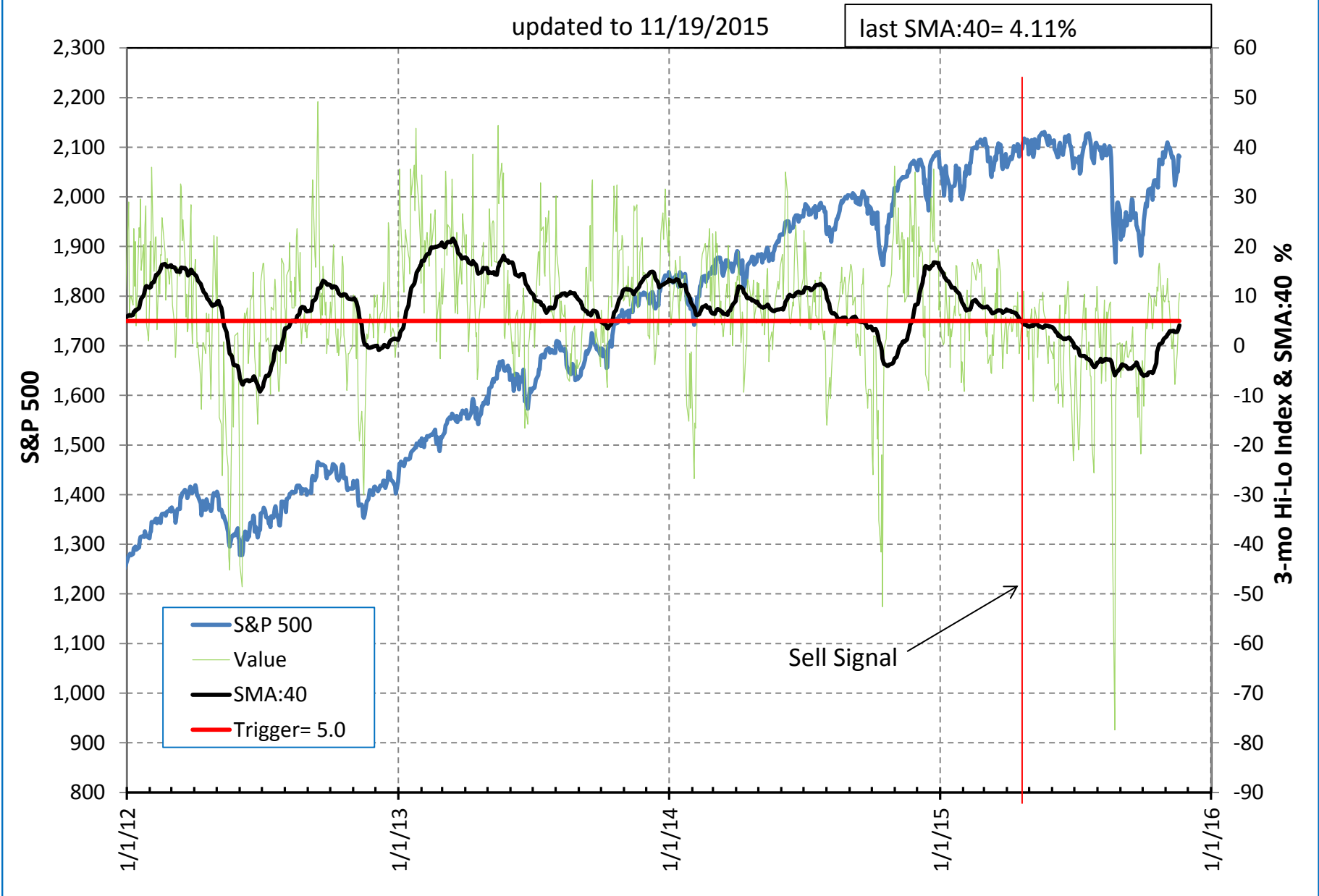


Fig 3.1: iM-BCI_g 1969-2015

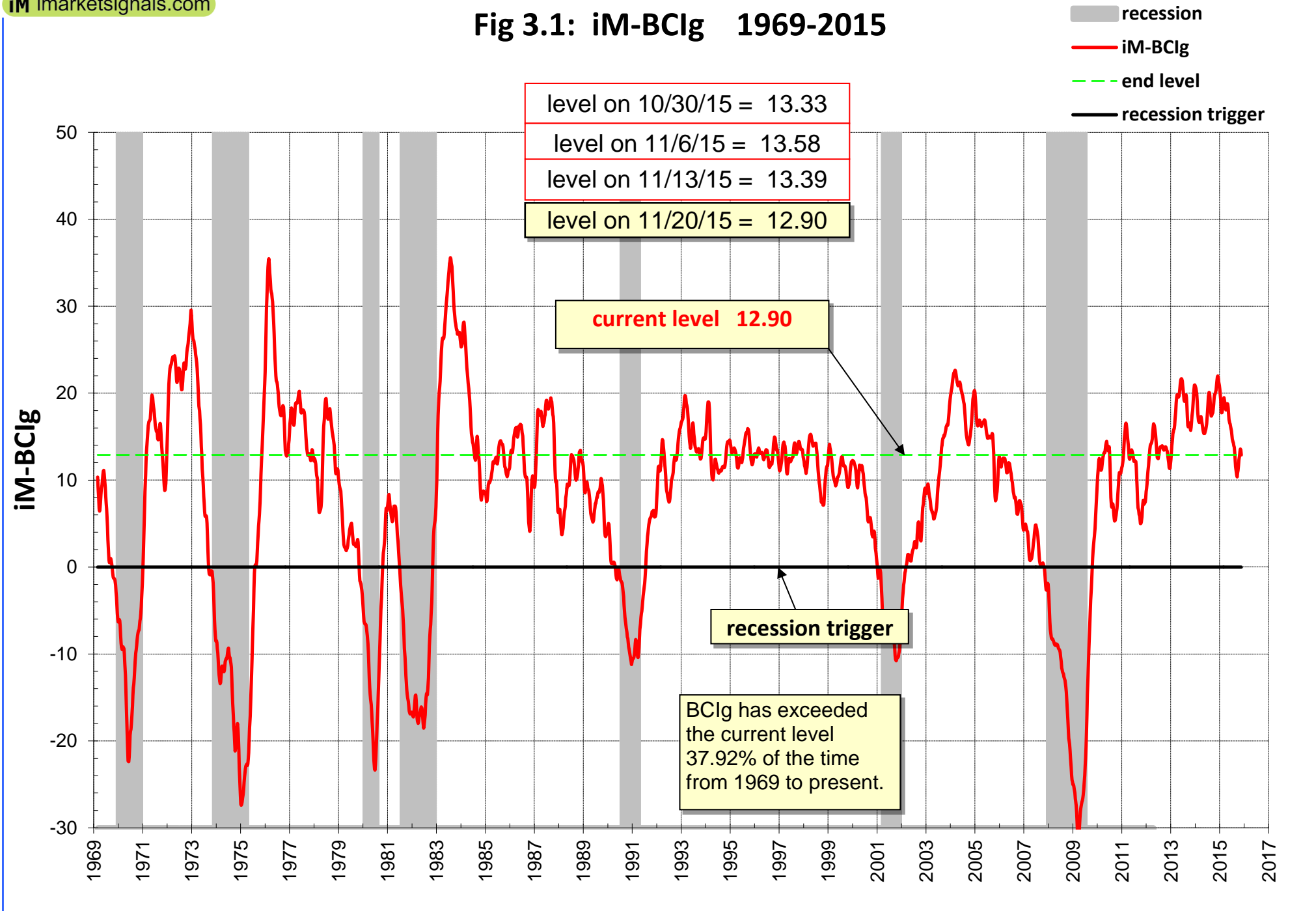


Fig. 3: COMP Leading Indicator of US Economy 1969-2015

- recession
- COMP
- last COMP level
- recession trigger

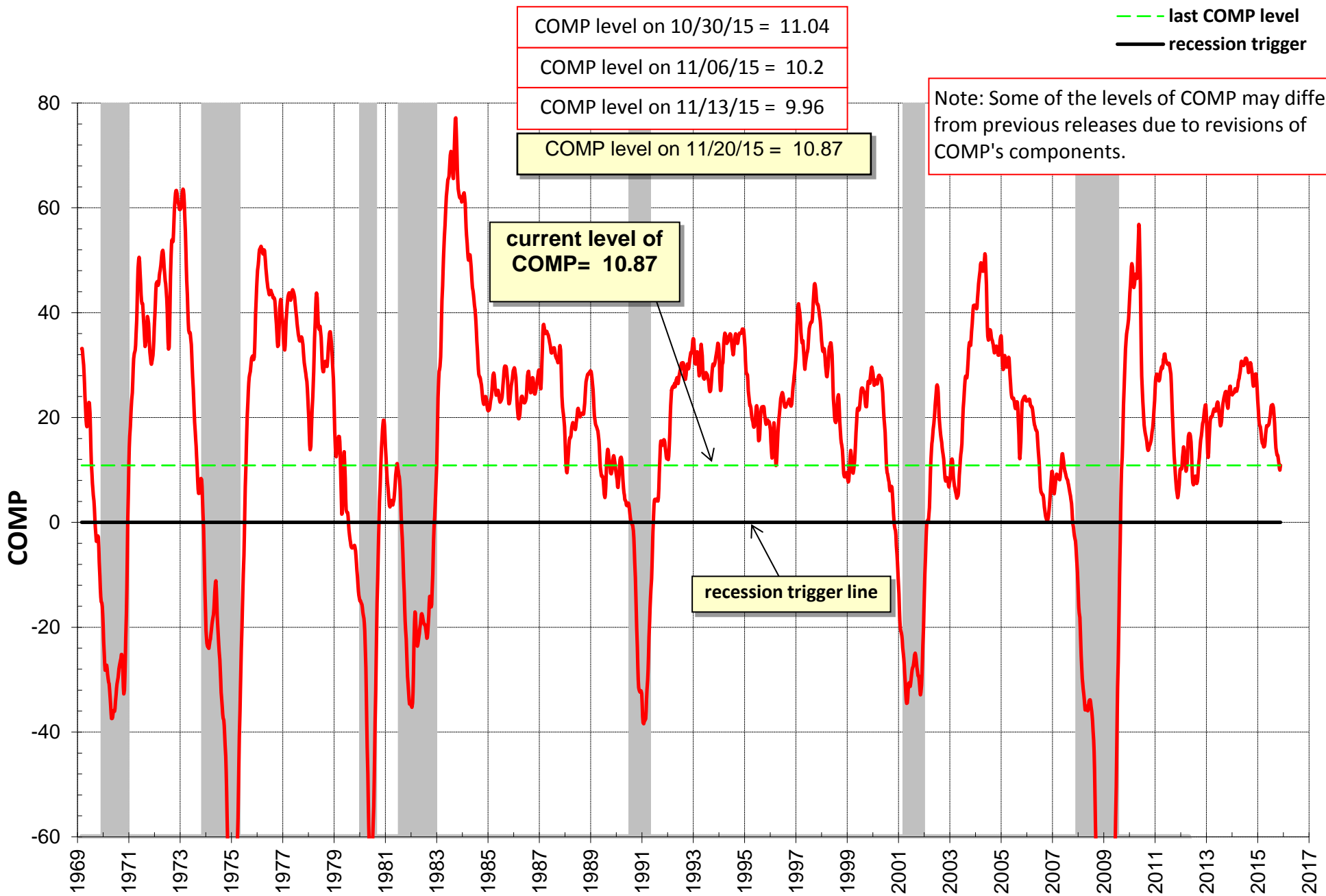


Figure 4: Bond Value Ratio (BVR) from 2005 to 2015

Model updated to: 11/20/2015 BVR = 5.959

recalibrated on 2/1/2015

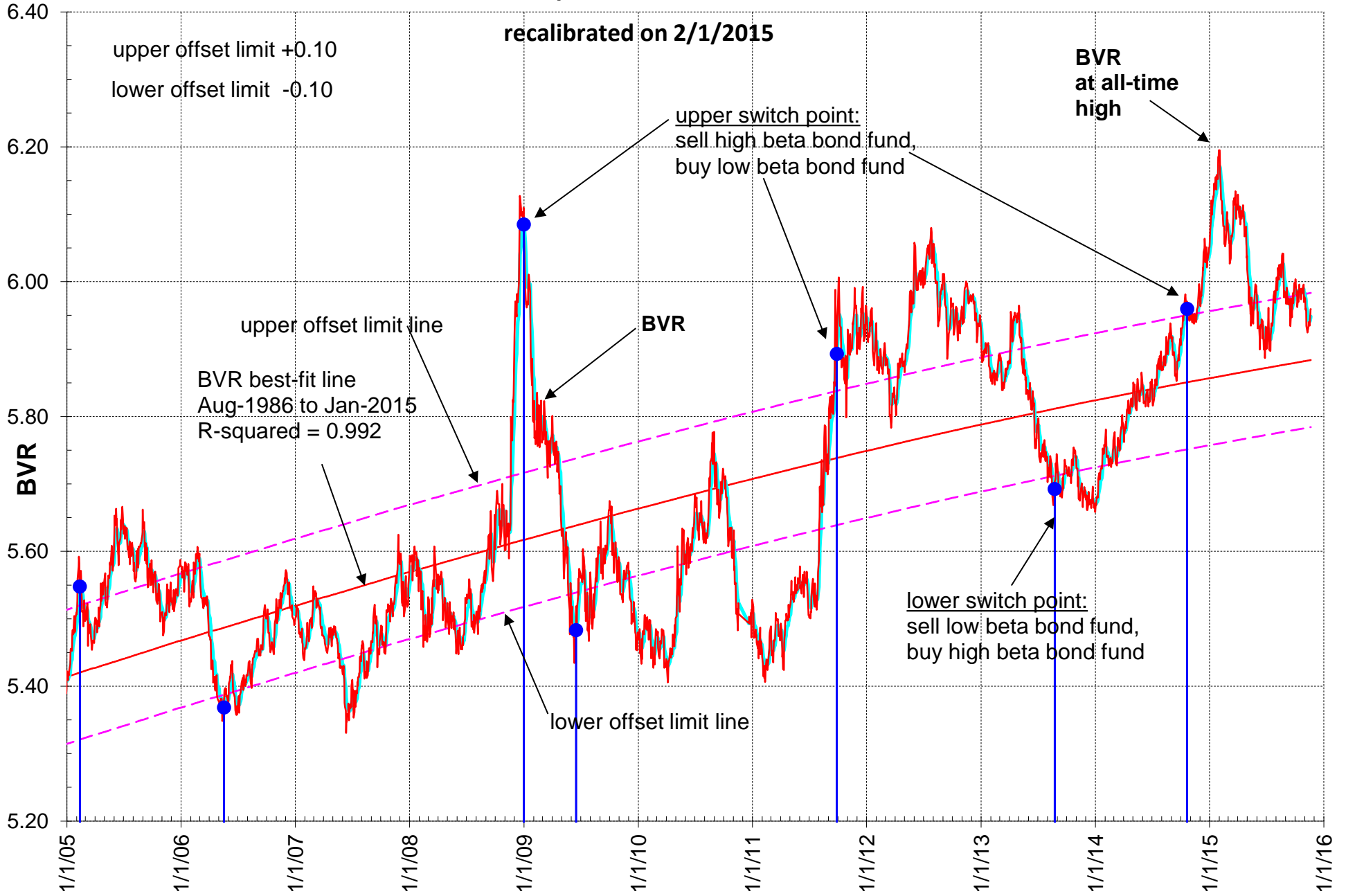


Figure 5: i10 - i2 Updated to.....11/13/15

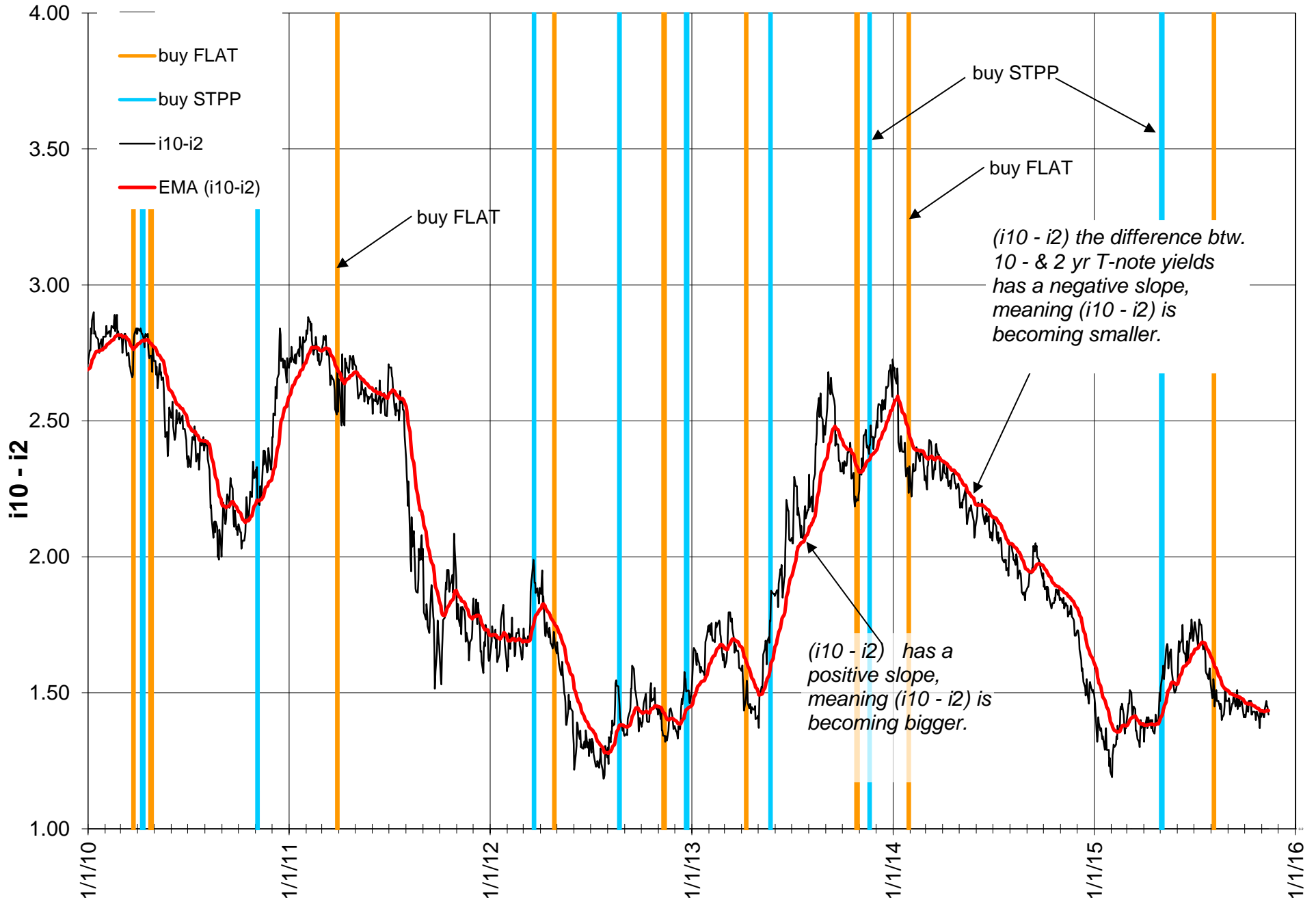


Figure 6: Modified Coppock Indicator for Gold 2009-2015

updated to 11/13/2015

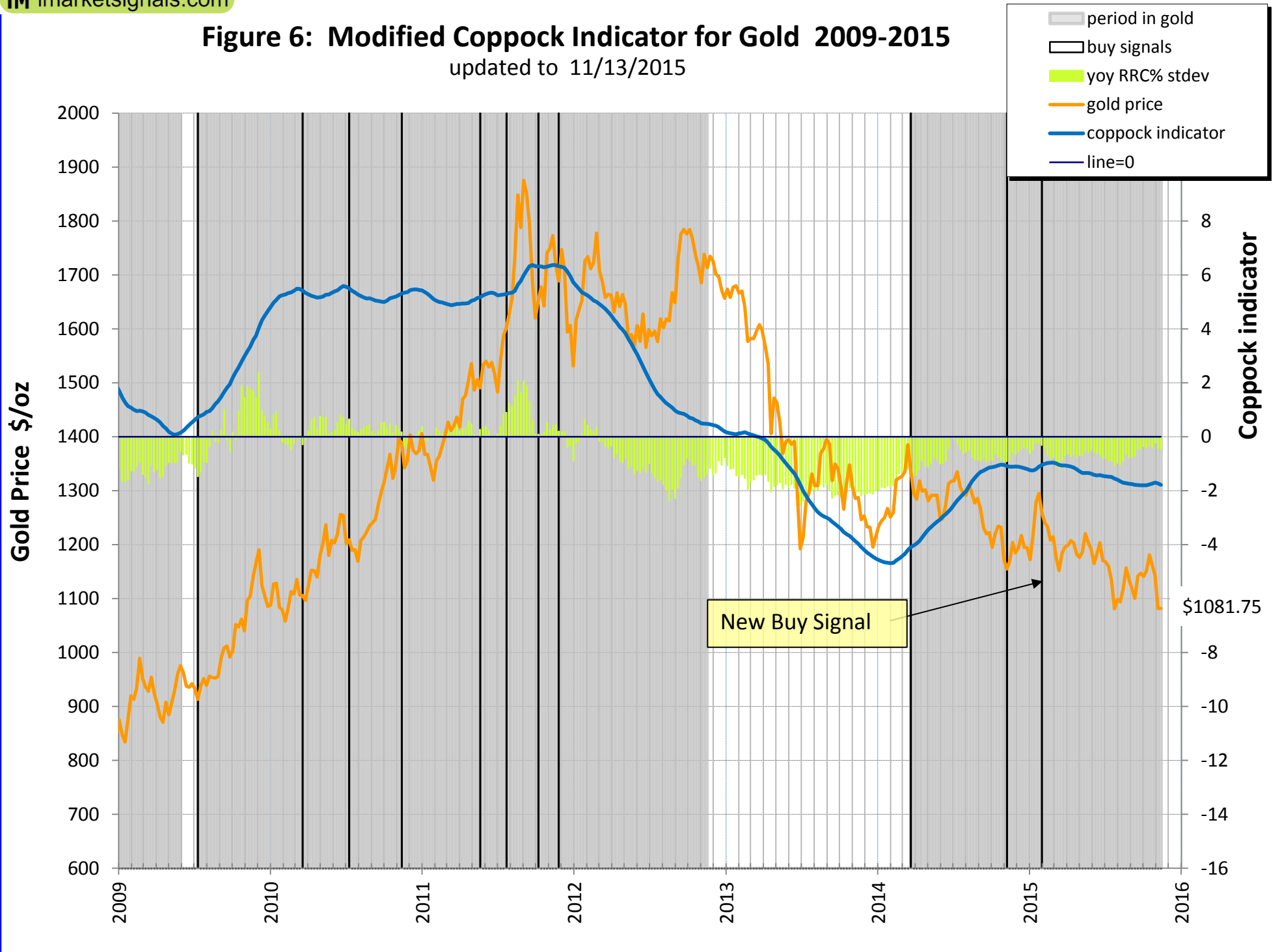


Figure 7: Modified Coppock Indicator for Silver 2009-2016

updated to 11/13/2015

