Business Cycle Index 3-12-15

The BCI at 188.1 is down from last week's level. The 6-month smoothed annualized growth BCIg at 18.0 also down from last week's 18.4, and BCIp at 96.0 indicates that, for this business cycle, BCI is slightly down from its previous peak.

No recession is signaled.

Summary 3-13-15:

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 spread may be forming a trough, the gold and silver models are invested. The recession indicator COMP is up from last week's revised level, and iM-BCIg is down from last week's level. MAC-AU is invested in stock-market.

Stock-market:

The IBH-model is out of the market as shown in Fig. 1. A Sell A signal was generated end of June 2015 with the S&P500 at 1963. 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 is in the market. A buy signal was generated early in Jan-2015. The sell-spread is higher than last week's level. A sell signal will only be generated when the sell-spread (red graph) moves from above to below zero. This model and its application is described in MAC-Australia: A Moving Average Crossover System for Superannuation Asset Allocations.

Recession:

Fig. 3 shows COMP up down from last week's revised level, 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, lower than last week's level. A recession is not imminent.

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 upward sloping graph indicates that long bonds have gained from January 2014 to end of January 2015. It would appear that BVR has peaked end of January 2015.

The Yield Curve:

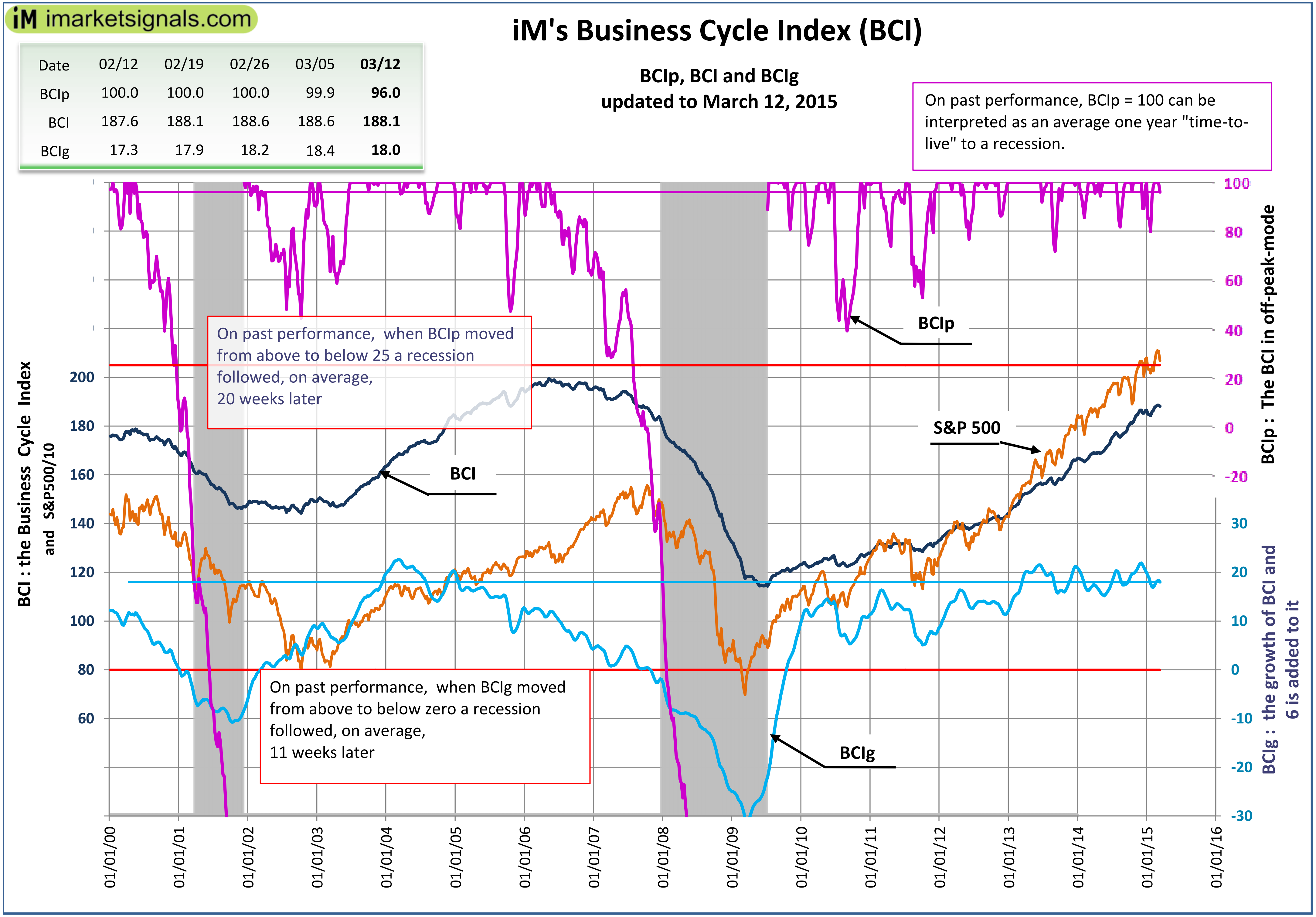
The yield curve model shows the declining trend from Jan-2014 of the 10-year and 2-year Treasuries yield spread. Figure 5 charts (i10 – i2) and it would appear that the spread is in the process of forming a trough. FLAT and STPP are ETNs. STPP profits from a steepening yield curve and FLAT increases 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 ....

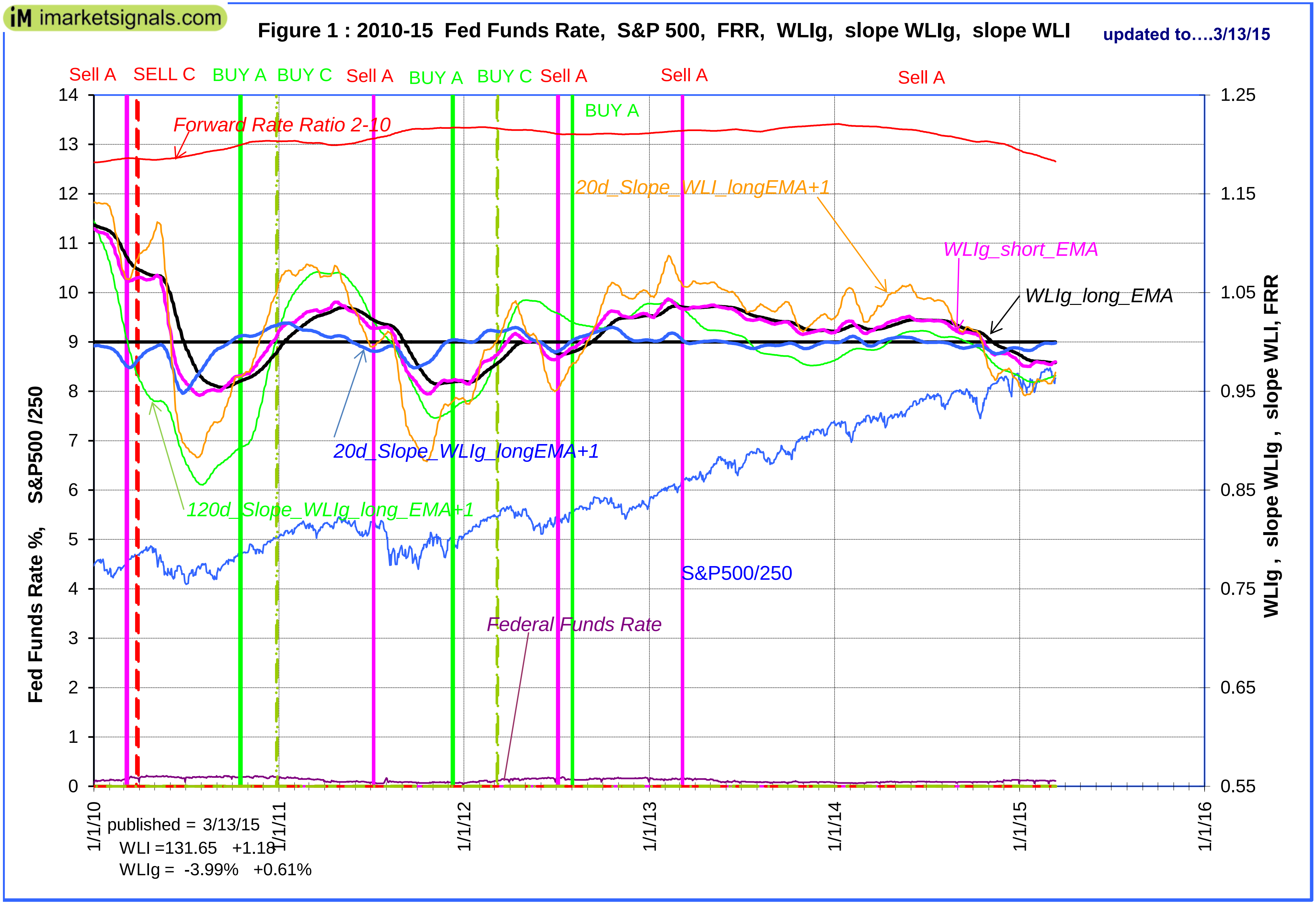
Silver:

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 imarketsignals.com
iM's Business Cycle Index (BCI)
BCIp, BCI and BCIg
updated to March 12, 2015
Date 02/12 02/19 02/26 03/05 03/12
BCIp 100.0 100.0 100.0 99.9 96.0
BCI 187.6 188.1 188.6 188.6 188.1
BCIg 17.3 17.9 18.2 18.4 18.0
On past performance, BCIp = 100 can be interpreted as an average one year "time-to-live" to a recession.
On past performance, when BCIp moved from above to below 25 a recession followed, on average, 20 weeks later
On past performance, when BCIg moved from above to below zero a recession followed, on average, 11 weeks later
BCIp
BCI
S&P 500
BCIg
BCI : the Business Cycle Index and S&P500/10
BCIp : The BCI in off-peak-mode
BCIg : the growth of BCI and 6 is added to it
200
180
160
140
120
100
80
60
100
80
60
40
20
0
-20
30
20
10
0
-10
-20
-30
01/01/00
01/01/01
01/01/02
01/01/03
01/01/04
01/01/05
01/01/06
01/01/07
01/01/08
01/01/09
01/01/10
01/01/11
01/01/12
01/01/13
01/01/14
01/01/15
01/01/16

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

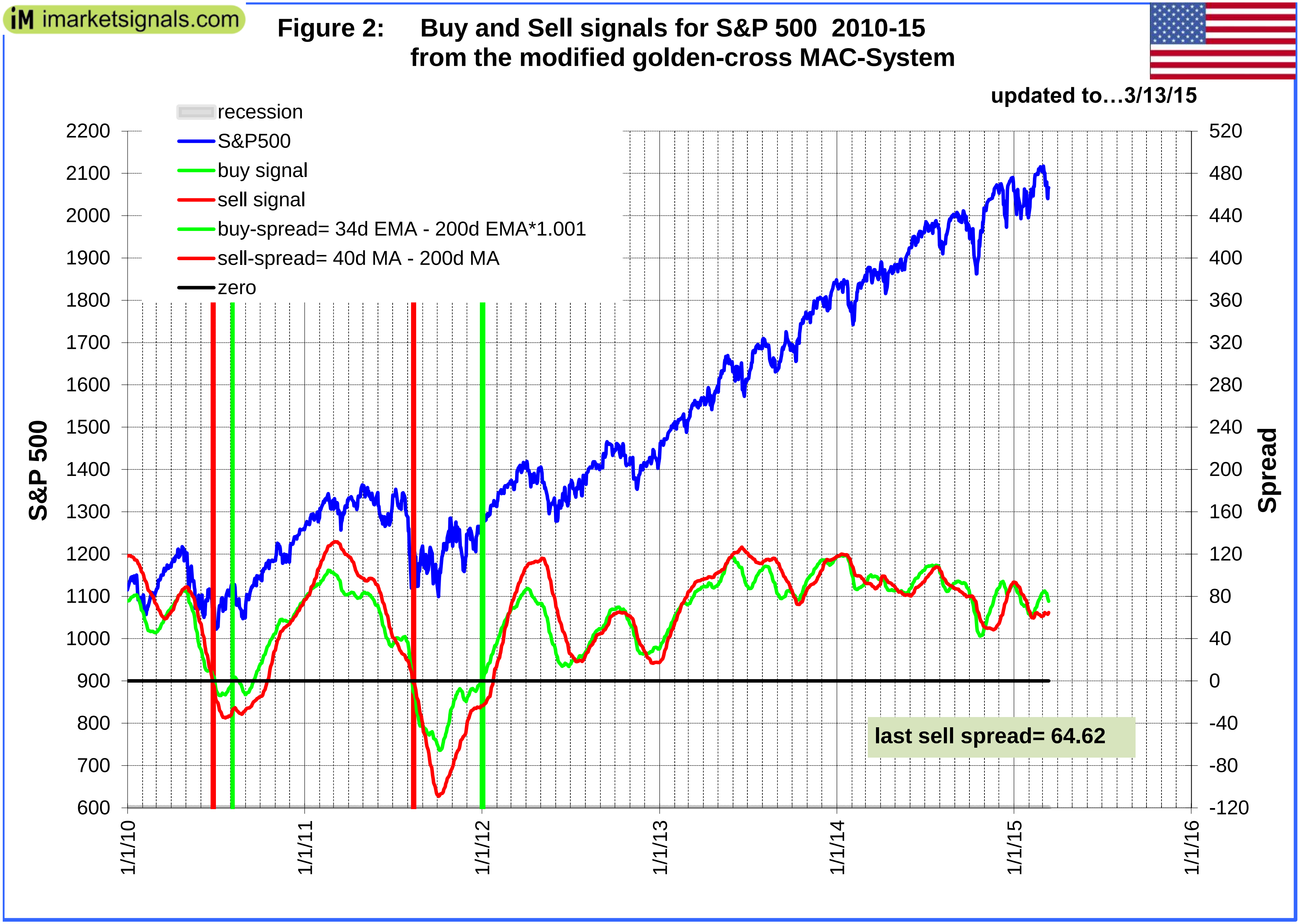


WLIg = ECRI Weekly Leading Index growth/200 +1 *WLI = (ECRI Weekly Leading Index -50)/10*

1-IBH

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



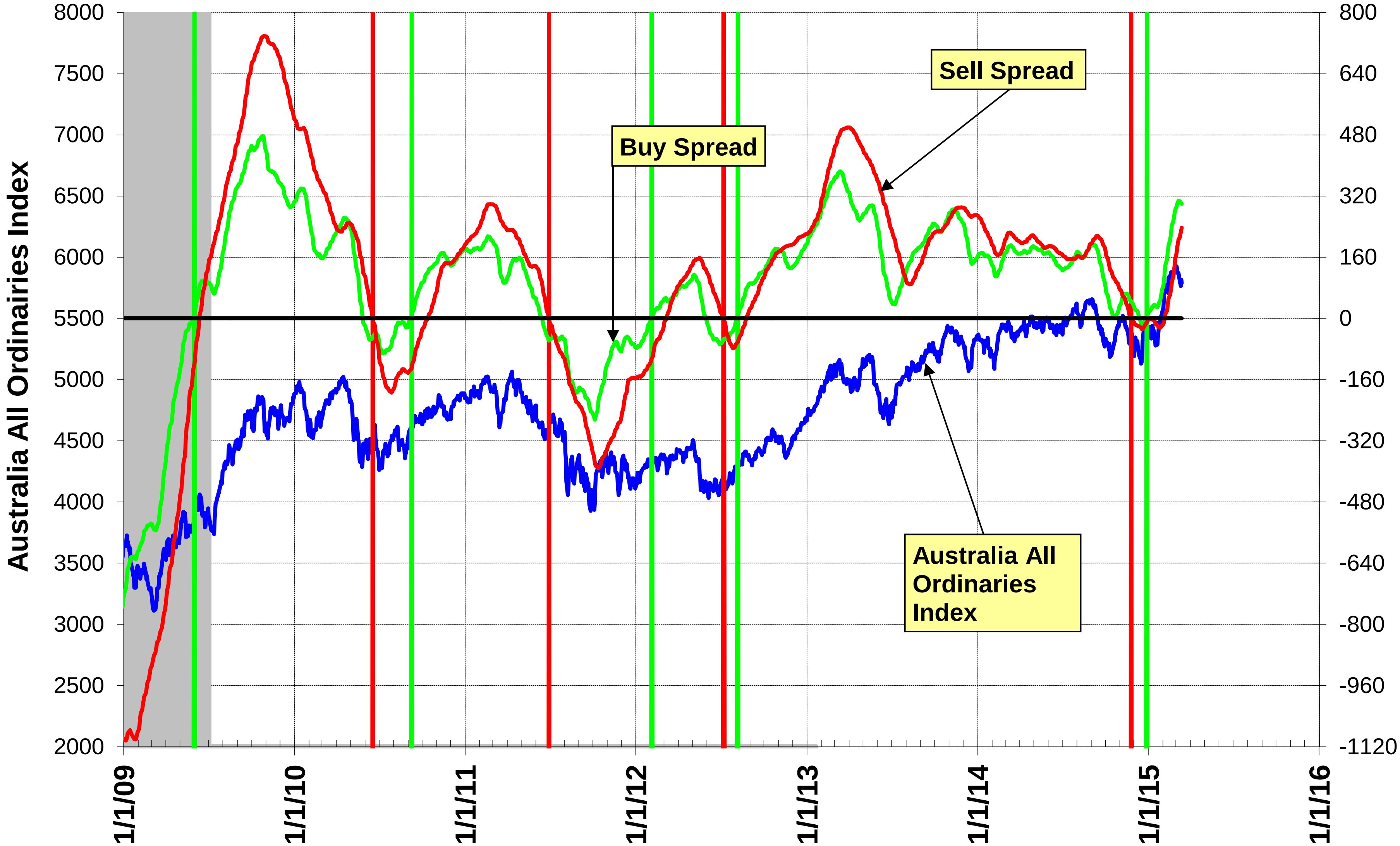
Please note: Past performance does not guarantee future returns, investments may increase or decrease in value and you may lose money using this model.

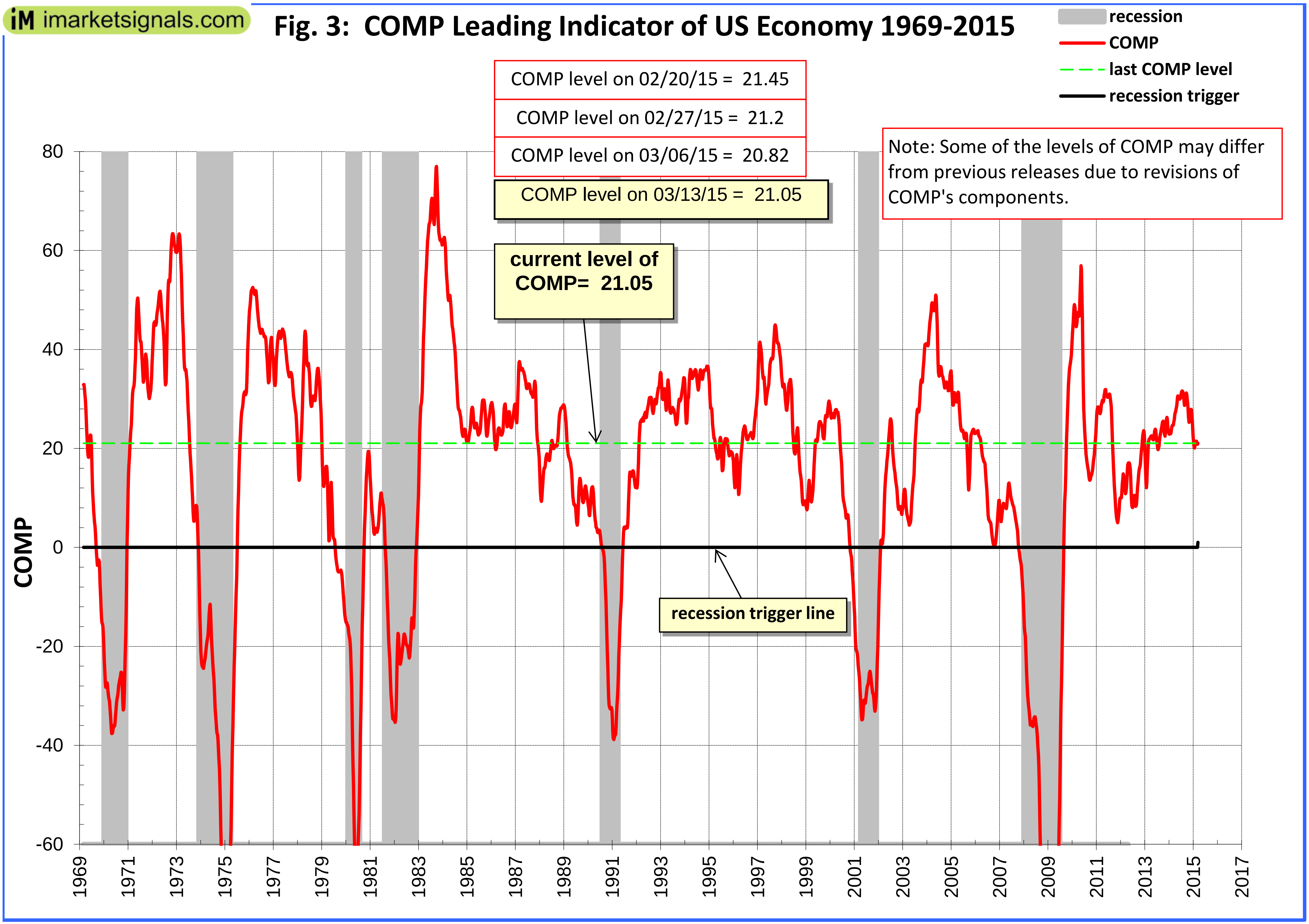
iM imarketsignals.com

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

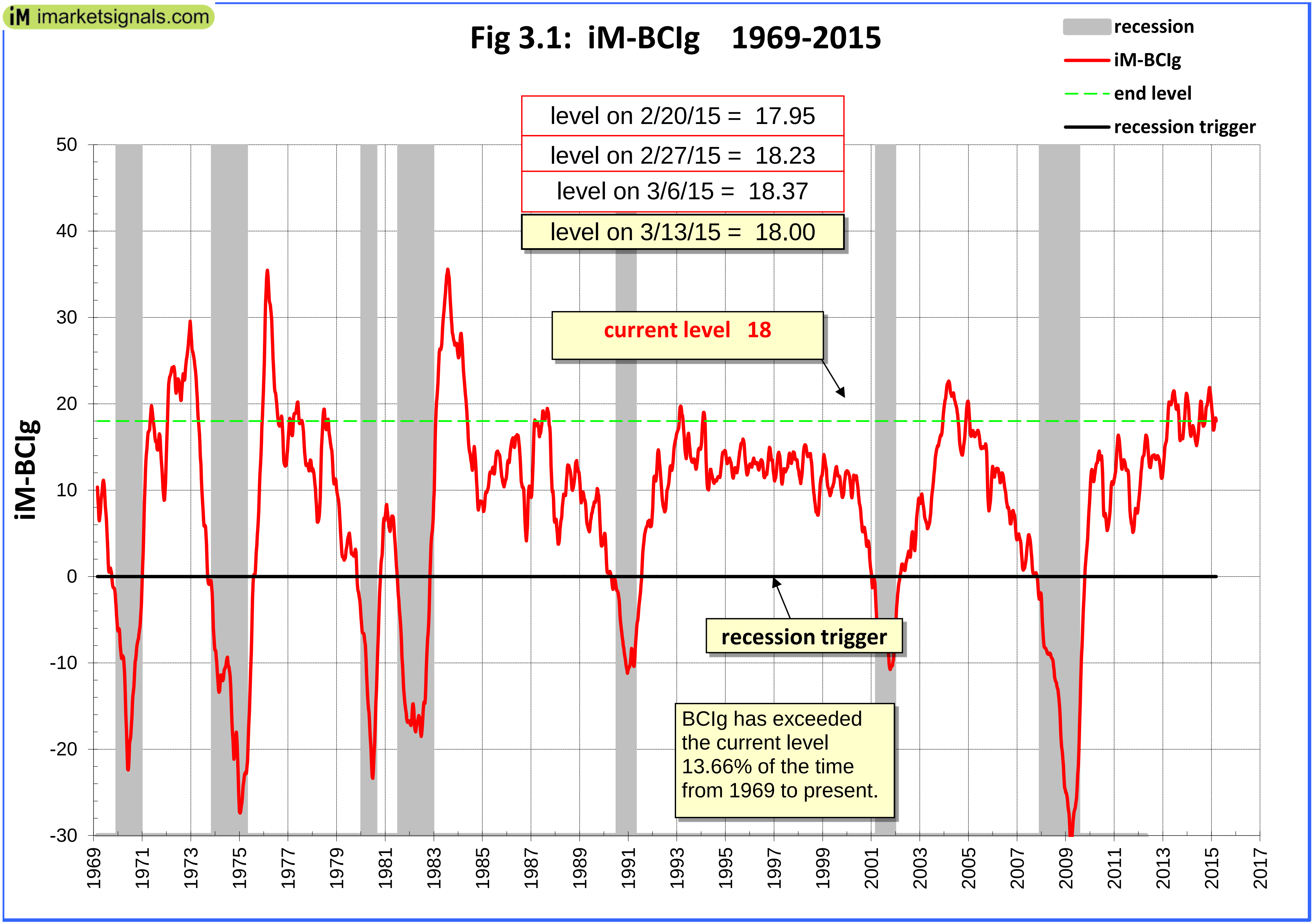
updated to Mar-13-15

last sell spread= 237.52



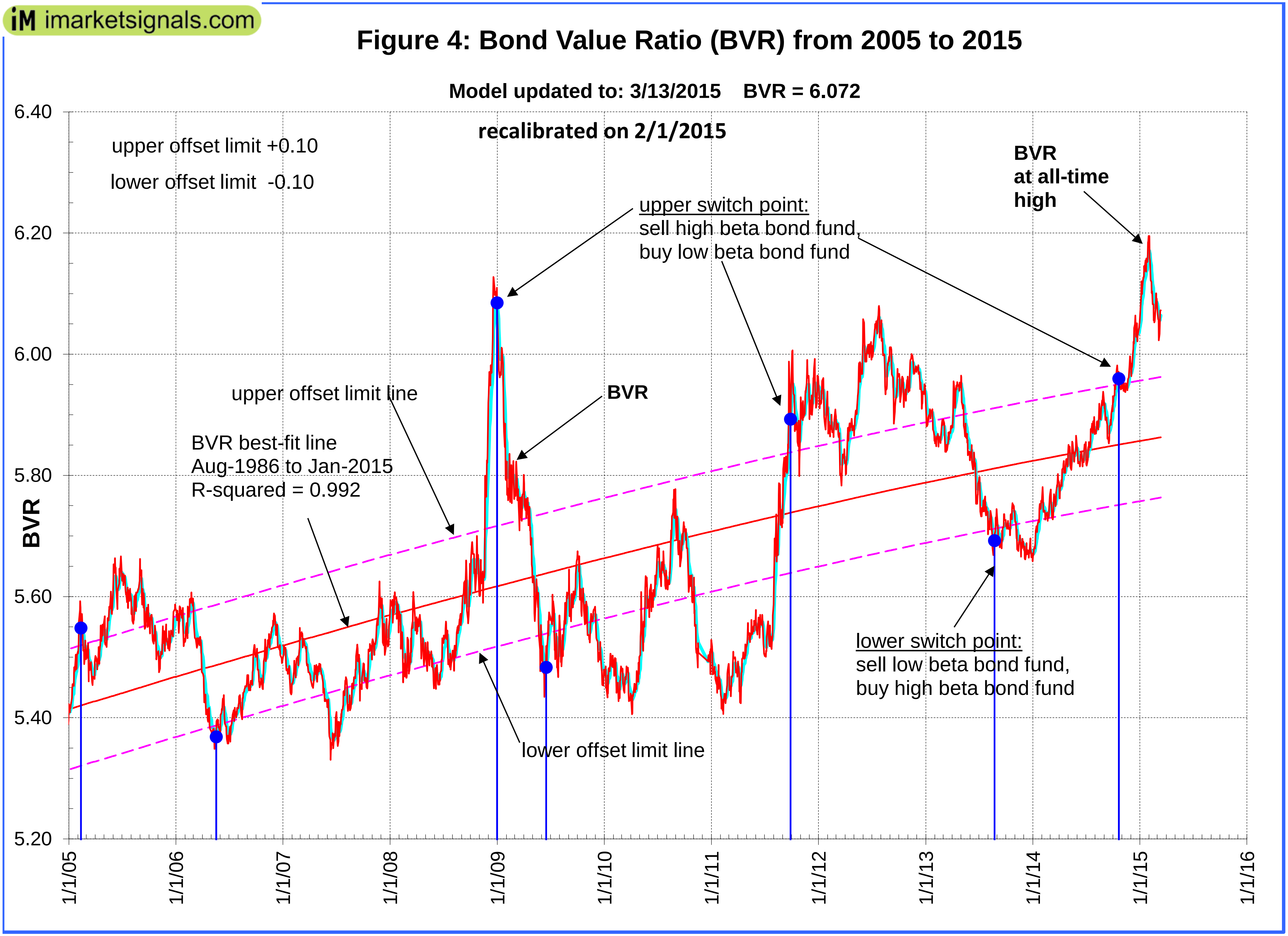


iM imarketsignals.com
Fig. 3: COMP Leading Indicator of US Economy 1969-2015
recession
COMP
last COMP level
recession trigger
COMP level on 02/20/15 = 21.45
COMP level on 02/27/15 = 21.2
COMP level on 03/06/15 = 20.82
COMP level on 03/13/15 = 21.05
current level of COMP= 21.05
Note: Some of the levels of COMP may differ from previous releases due to revisions of COMP's components.
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



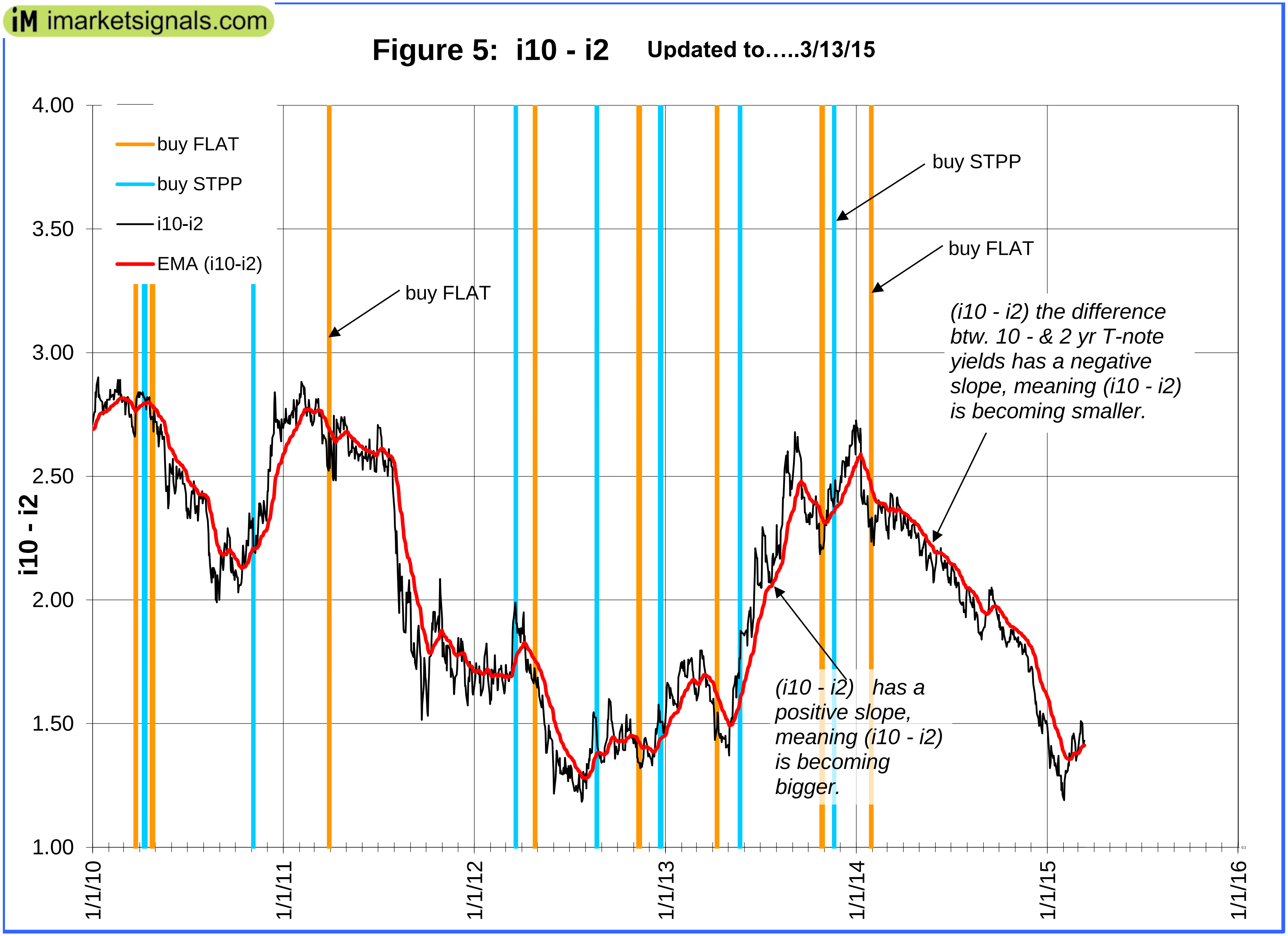
BCIg Toni.xlsm

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.



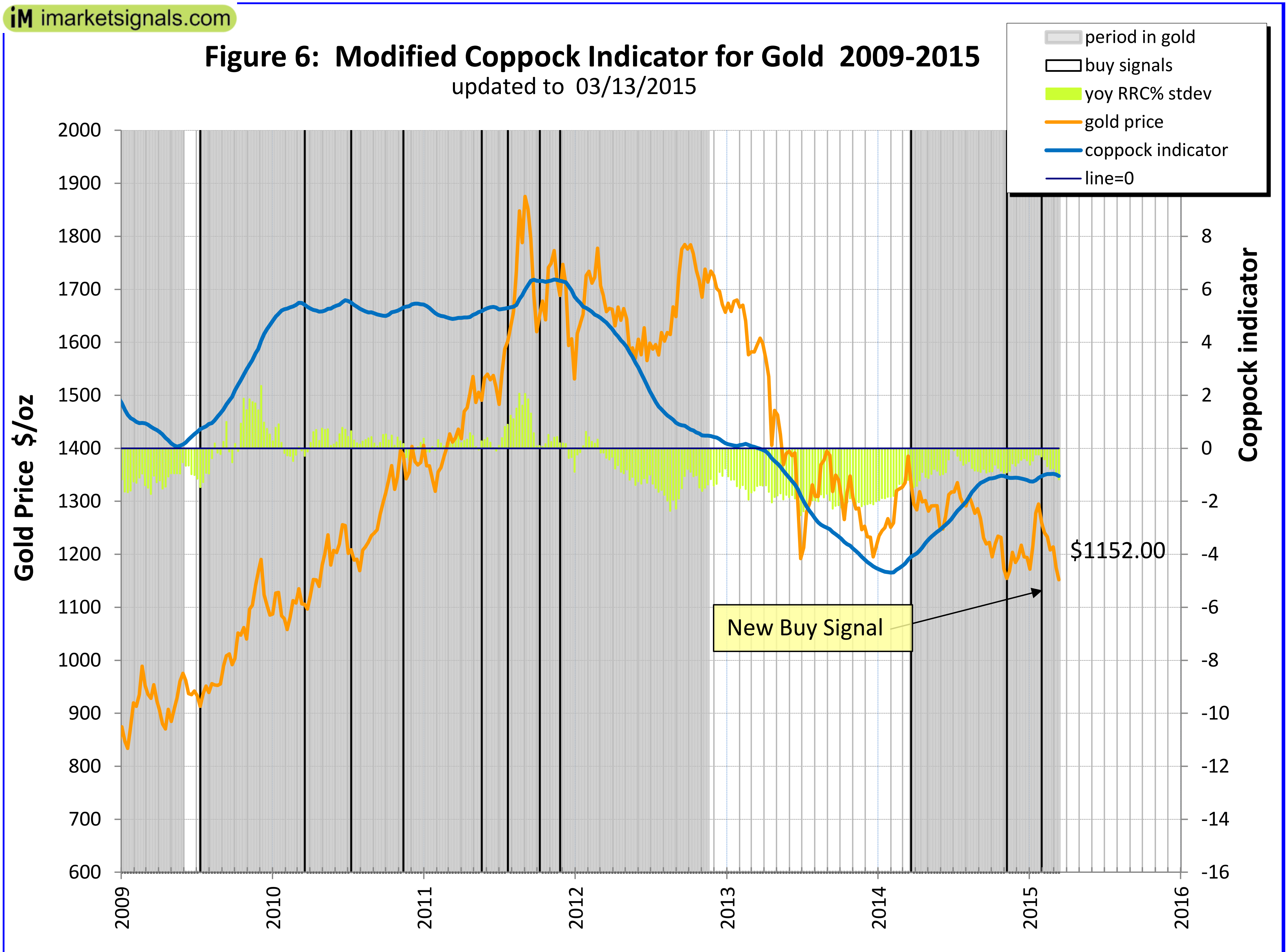
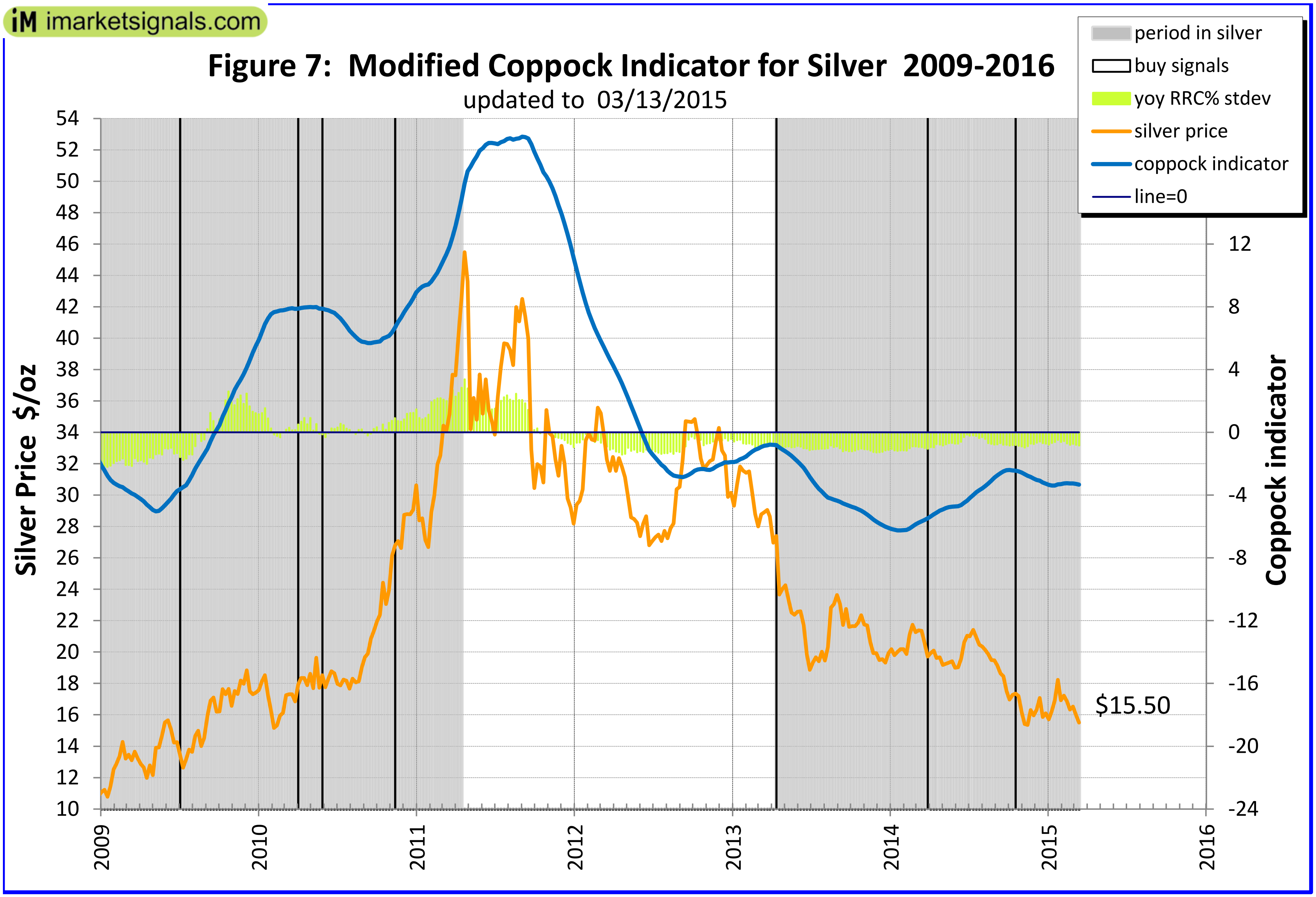


Figure 6: Modified Coppock Indicator for Gold 2009-2015

6-COPPOCK GOLD for updates



iM imarketsignals.com
Figure 7: Modified Coppock Indicator for Silver 2009-2016
updated to 03/13/2015
period in silver
buy signals
yoy RRC% stdev
silver price
coppock indicator
line=0
Silver Price $/oz
Coppock indicator
$15.50
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
-20
-24
2009
2010
2011
2012
2013
2014
2015
2016