

Business Cycle Index 4-14-2016:

The BCI at 201.2 is up from last week's 200.8. It reached a new high in the current business cycle, which is indicated by BCIP now at 100. The 6-month smoothed annualized growth BCIG at 12.0 is also up from last week's 11.6.

No recession is signaled.

Summary 4-15-2016:

The MAC-US and is invested. Also, both the "3-mo Hi-Lo Index of the S&P500" and the "VMNFX vs. SPY Timer" are invested in the markets. The MAC-AU is also invested. 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. The gold and the silver model are invested.

Stock-market:

The [MAC-US](#) model generated a buy-signal 4/5/2016 and thus is invested in the stock-markets. The sell-spread is up from last week's level and has to fall below zero to signal a sell.

The [3-mo Hi-Lo Index](#) of the S&P500 is invested in the market after it generated a buy signal on 3/23/2016.

The [VMNFX vs. SPY Timer](#) signaled an entry into the stock markets on 3/28/2016. For this model to exit the markets the indicator has to fall below the 2% trigger line and then rise above it.

The MAC-AU model is invested in the markets after it generated a buy signal on March 21, 2016. The sell-spread, still negative, is higher than last week's level, but first has to become positive before it can signal a sell. 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 up from last week's downward revised level, and does not signaling a 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 also up from last week's revised level. An imminent recession is not signaled.

Fig 3.2: The Forward Rate Ratio between the 2-year and 10-year U.S. Treasury yields (FRR2-10) is below last week's level and far away from signaling a recession.

A description of this indicator can be [found here](#).

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) which declined over the last 8 to 9 months, but this trend appears to have ended. 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. This model generated a buy signal last week and is invested. This indicator is described in [Is it Time to Buy Gold Again? - Wait for the buy signal](#)

The **iM GOLD-TIMER** is shown in Fig. 6.1, it is invested in gold. This indicator is described in our article: [The iM Gold-Timer](#)

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 4-1-2016: (next update 5/6/2016)

Unemployment

The unemployment rate recession model ([article link](#)), has been updated with the March 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 2015. This model is now out of the market. This indicator is described [here](#) .

Trade Weighted USD

The TW\$ value has fallen and the 6 month moving average upward trend has been slowed.

TIAA Real Estate Account

As of end of March 2016 the 1-year rolling return is 7.01%. 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 ...](#)

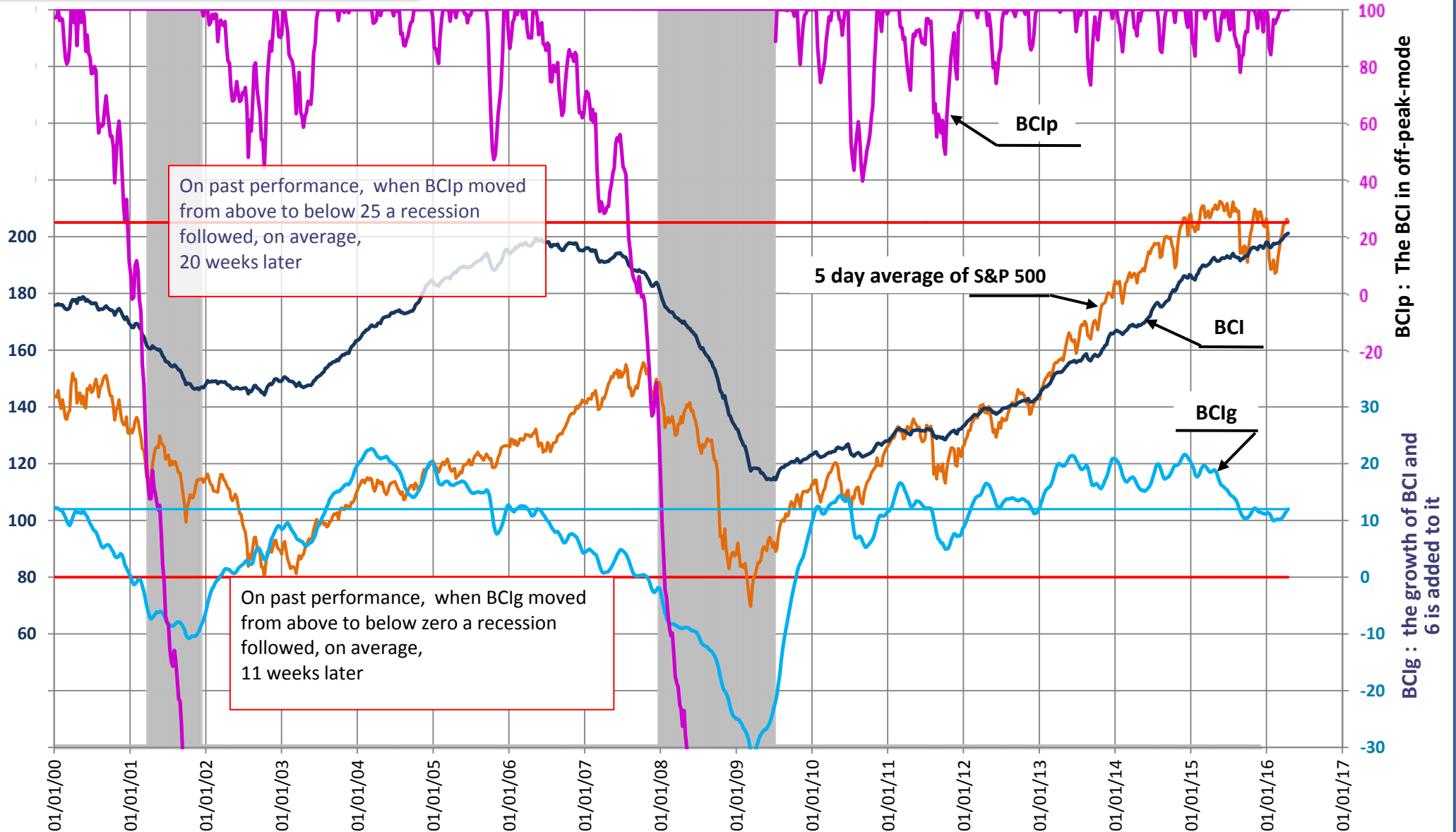
iM's Business Cycle Index (BCI)

Date	03/17	03/24	03/31	04/07	04/14
BCIp	100.0	100.0	100.0	100.0	100.0
BCI	199.0	199.8	200.4	200.8	201.2
BCIg	10.5	10.8	11.3	11.6	12.0

BCIp, BCI and BCIG
updated to April 14, 2016

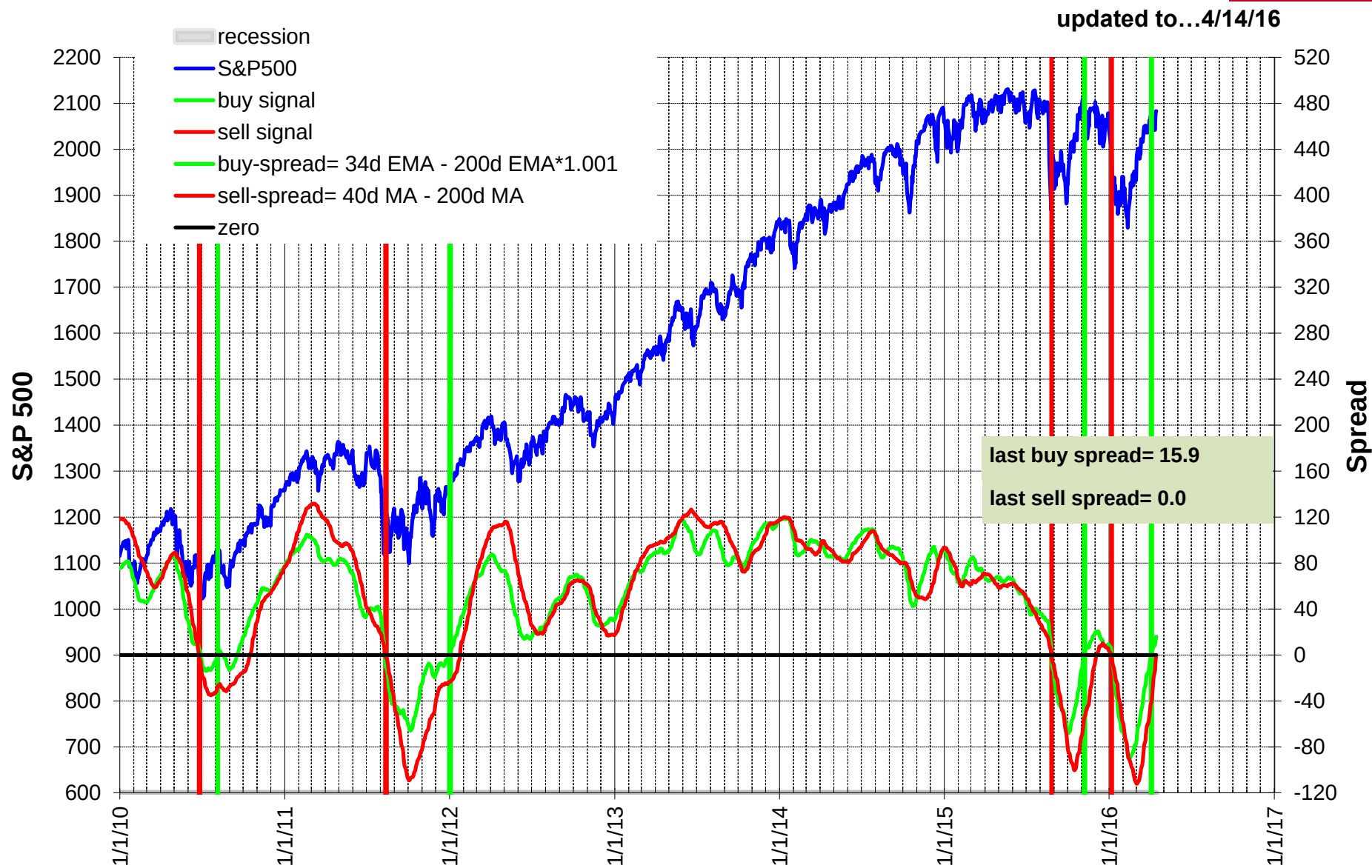
On past performance, BCIp = 100 can be interpreted as an average one year "time-to-live" to a recession.

BCI : the Business Cycle Index
and S&P500/10



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 2010-16
from the modified golden-cross MAC-System



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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-15-16

last sell spread= -64.9

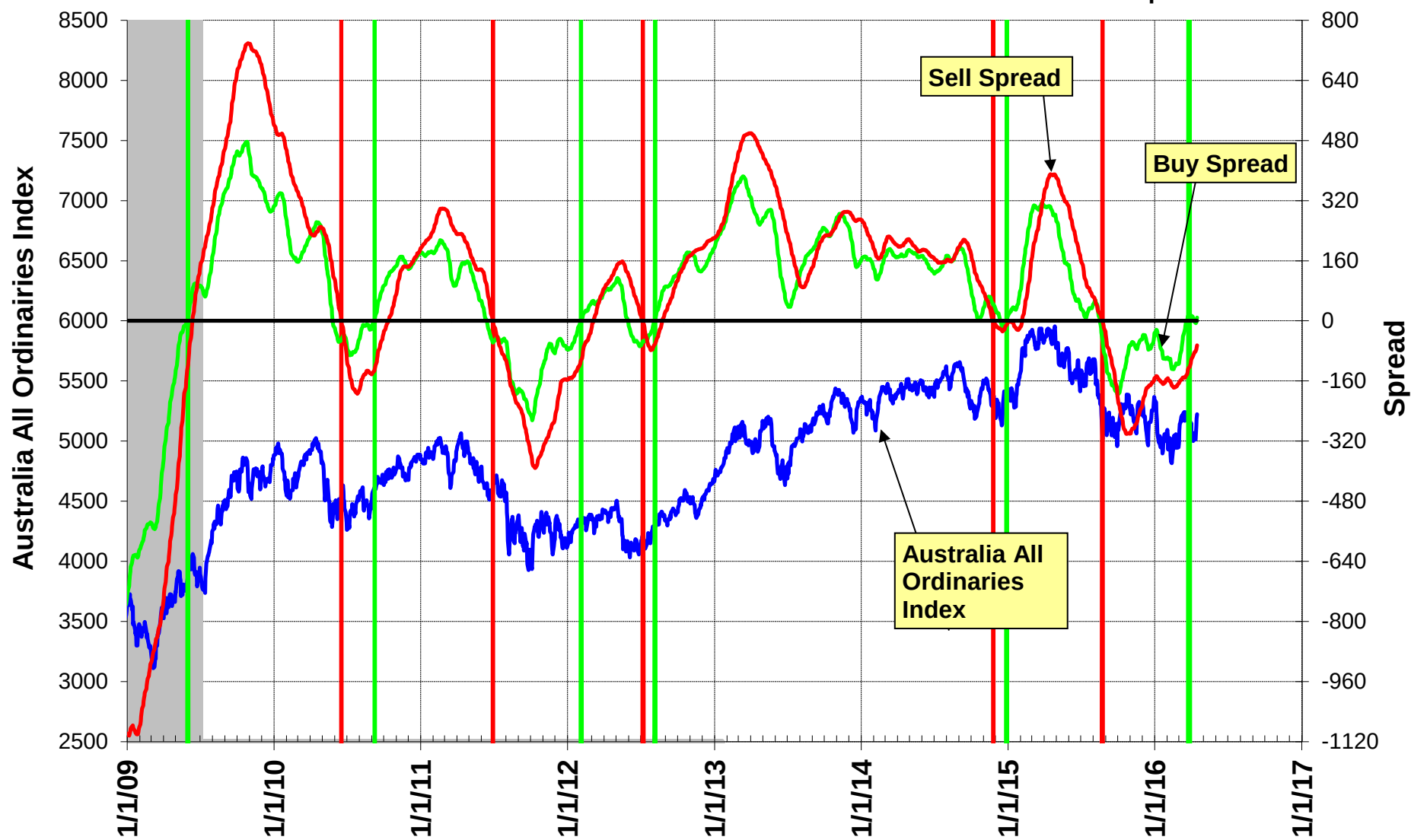
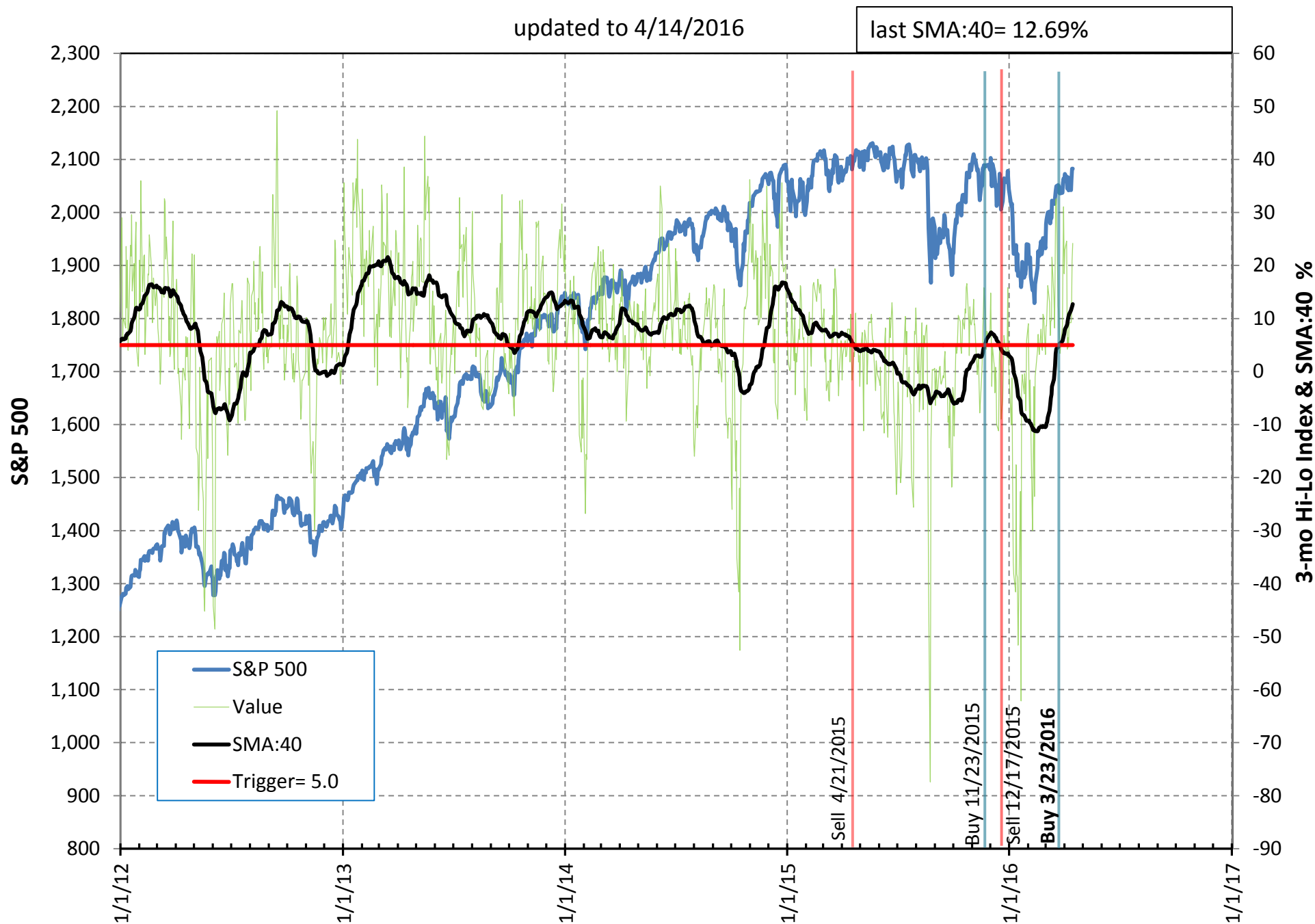


Fig 2.2 3-mo Hi-Lo Index of the S&P500 & 40-day SMA of Index



Market Timer based on Performance of Vanguard Market Neutral Fund VMNFX vs. SPY

updated to 4/11/2016

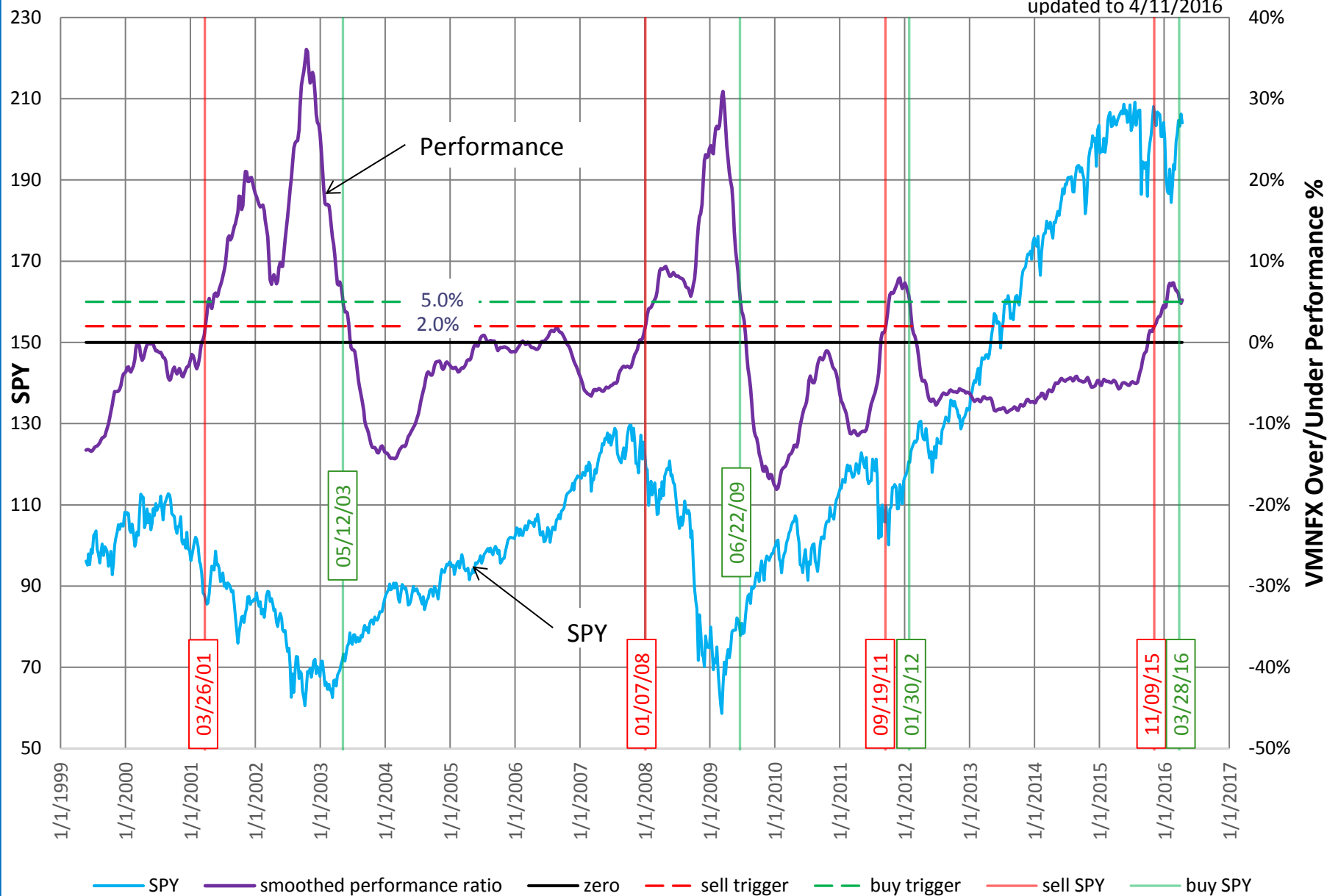


Fig. 3: COMP Leading Indicator of US Economy 1969-2016

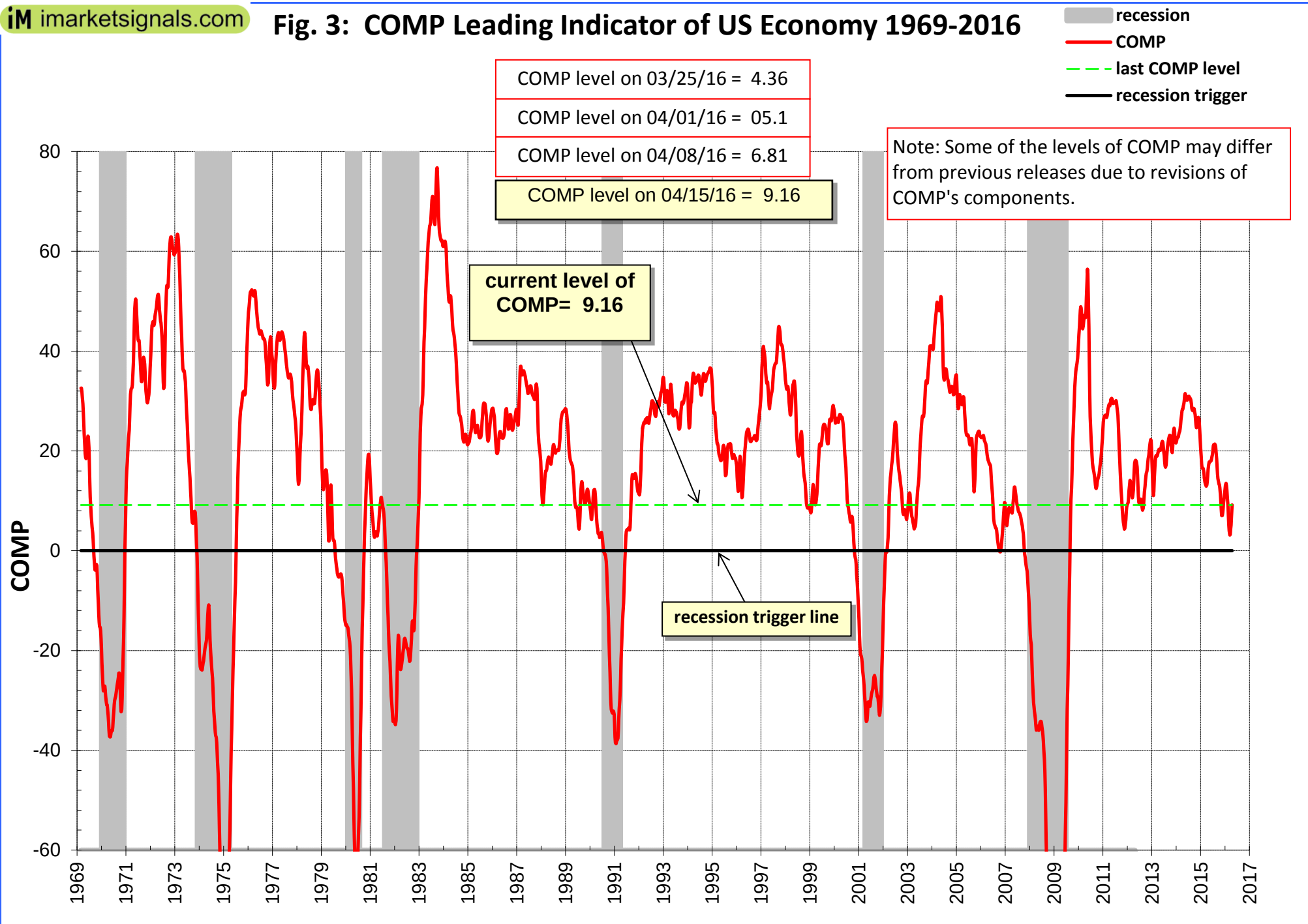


Fig 3.1: iM-BCIg 1969-2016

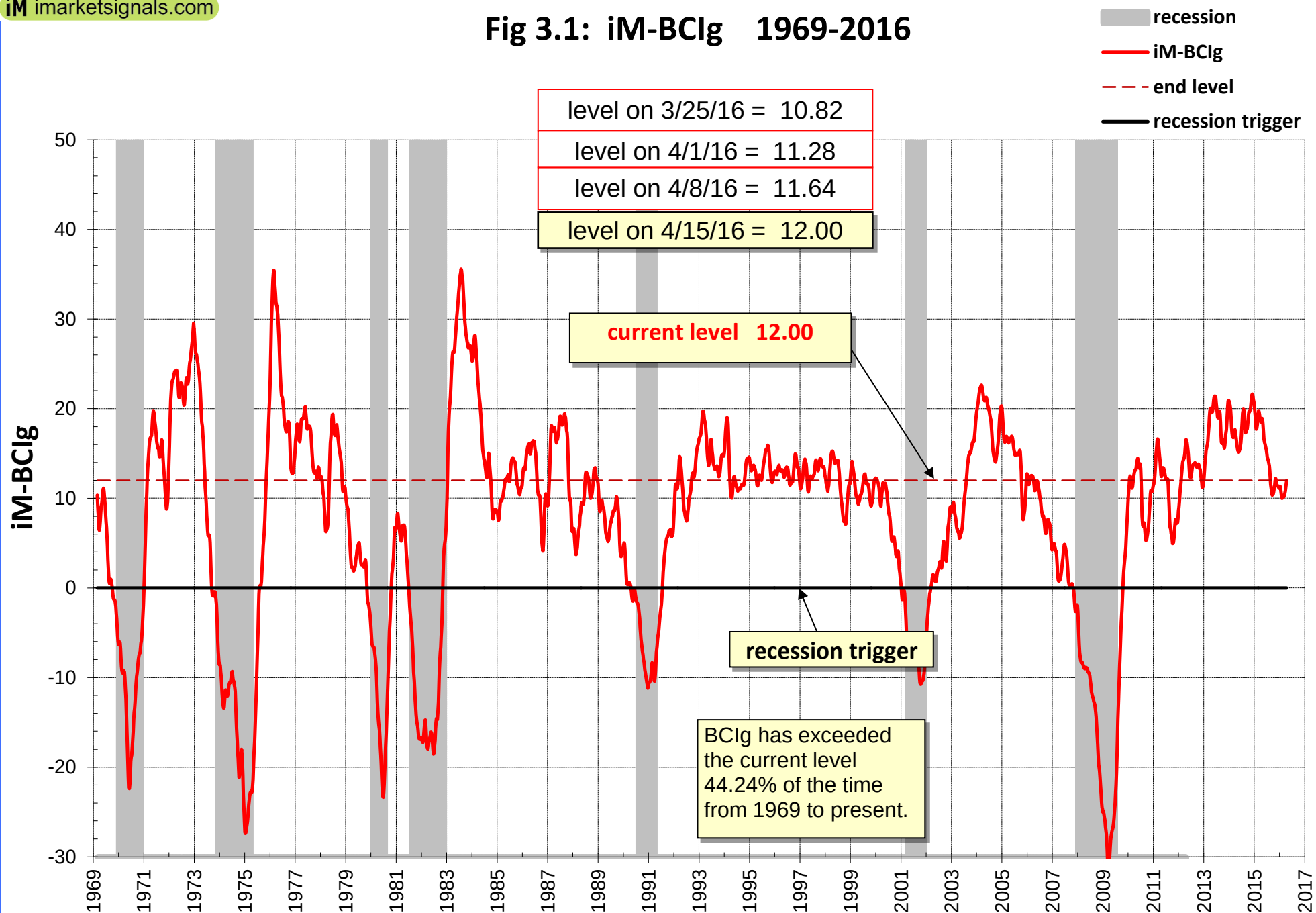


Figure 3.2: Forward Rate Ratio FRR2-10 - leads to Recessions

FRR2-10 is the ratio of the rate at which one can lock in borrowing for the eight year period starting two years from now, and the ten-year rate itself.

The FRR2-10 is indicative of the slope of the yield curve between the two-year and the ten-year note yields; a FRR2-10 greater than 1.00 indicates a positively sloped yield curve (ten-year note yields are higher than two-year note yields); a FRR2-10 less than 1.00 indicates an inversion of the yield curve (two-year note yields are higher than ten-year note yields).

The last seven recessions were all preceded by a FRR2-10 less than 1.0

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

updated to 04/14/2016
EMA of FRR2-10 = 1.14

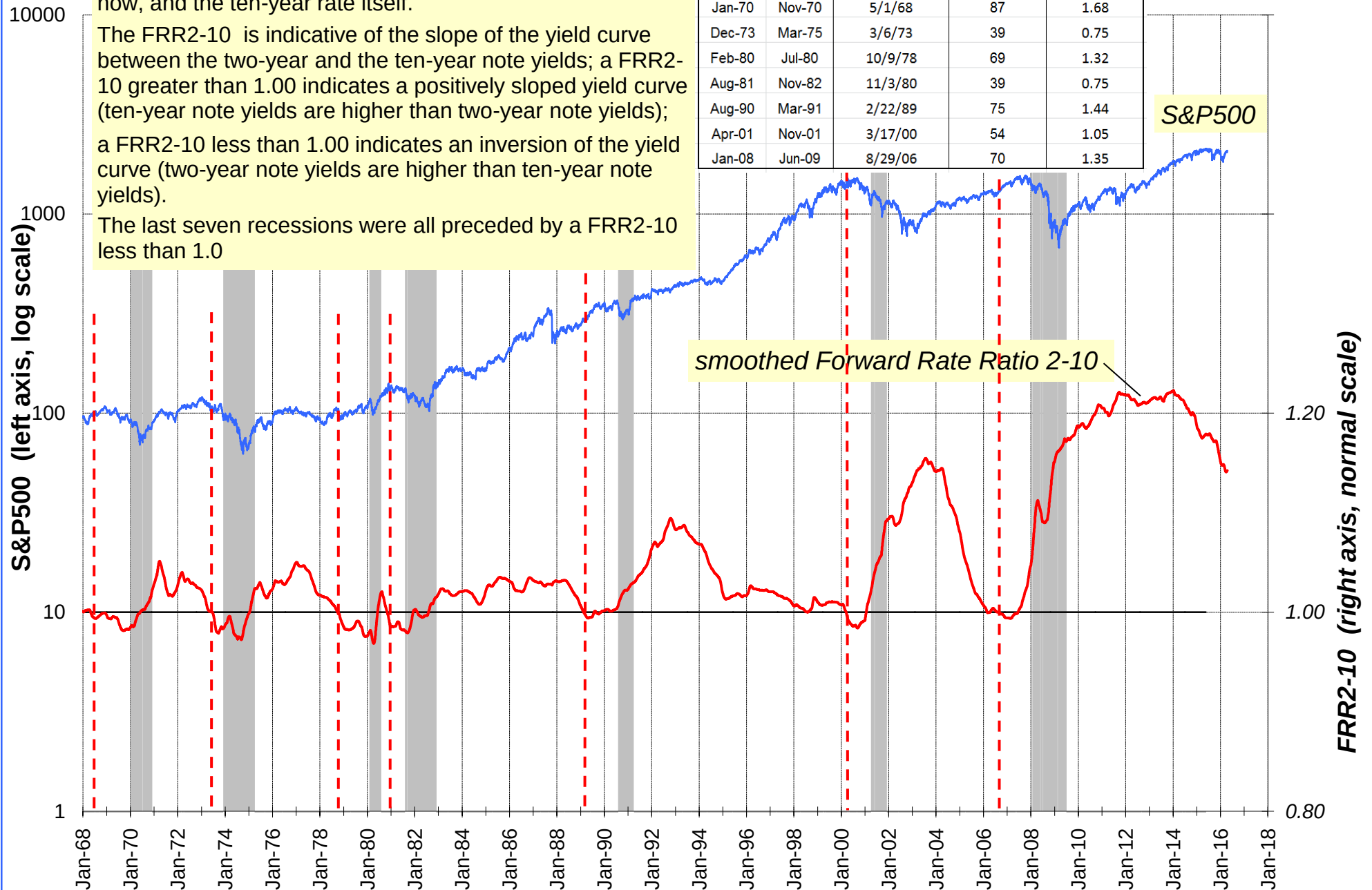


Figure 4: Bond Value Ratio (BVR) from 2005 to 2016

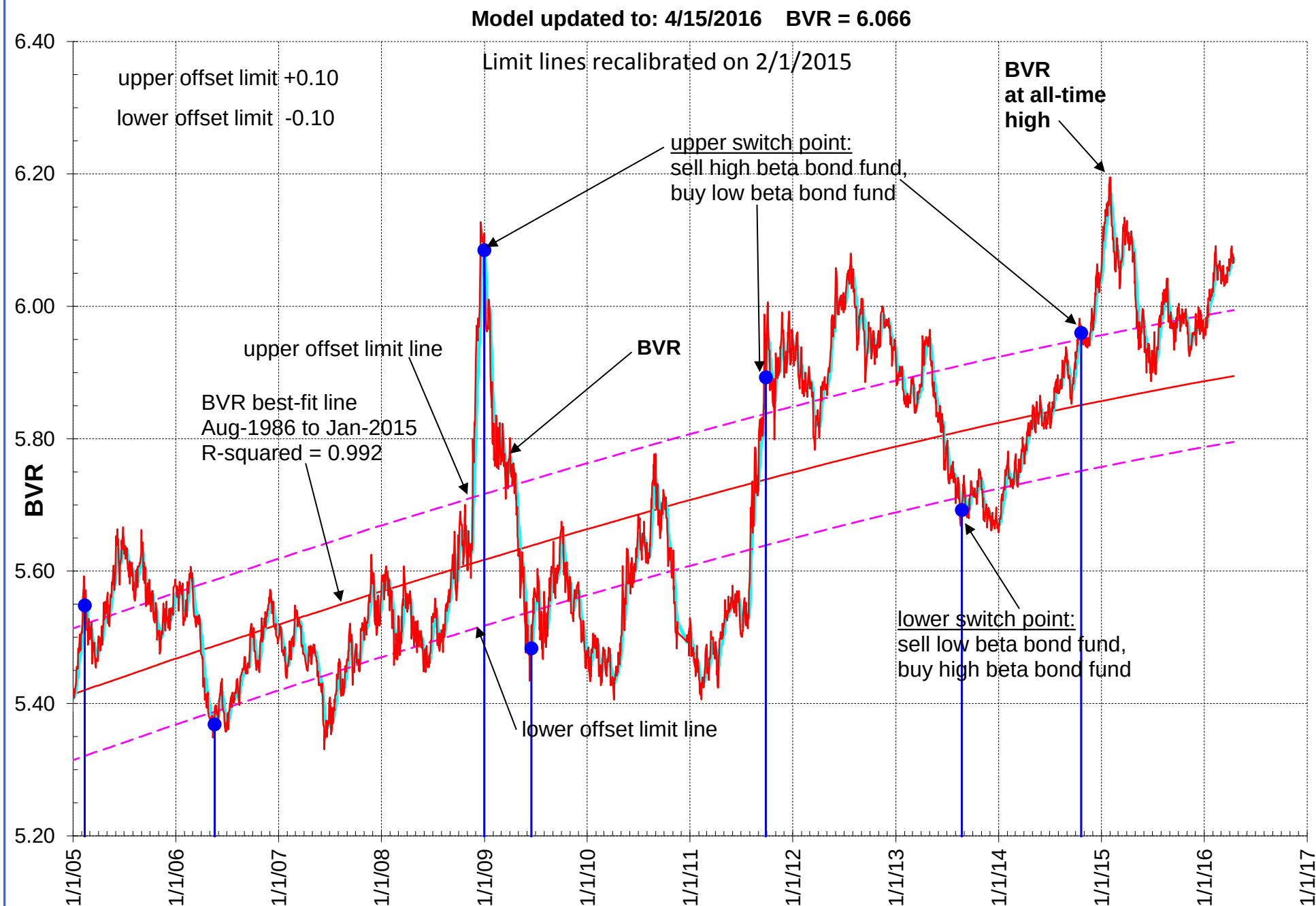


Figure 5: i10 - i2 Updated to.....4/15/16

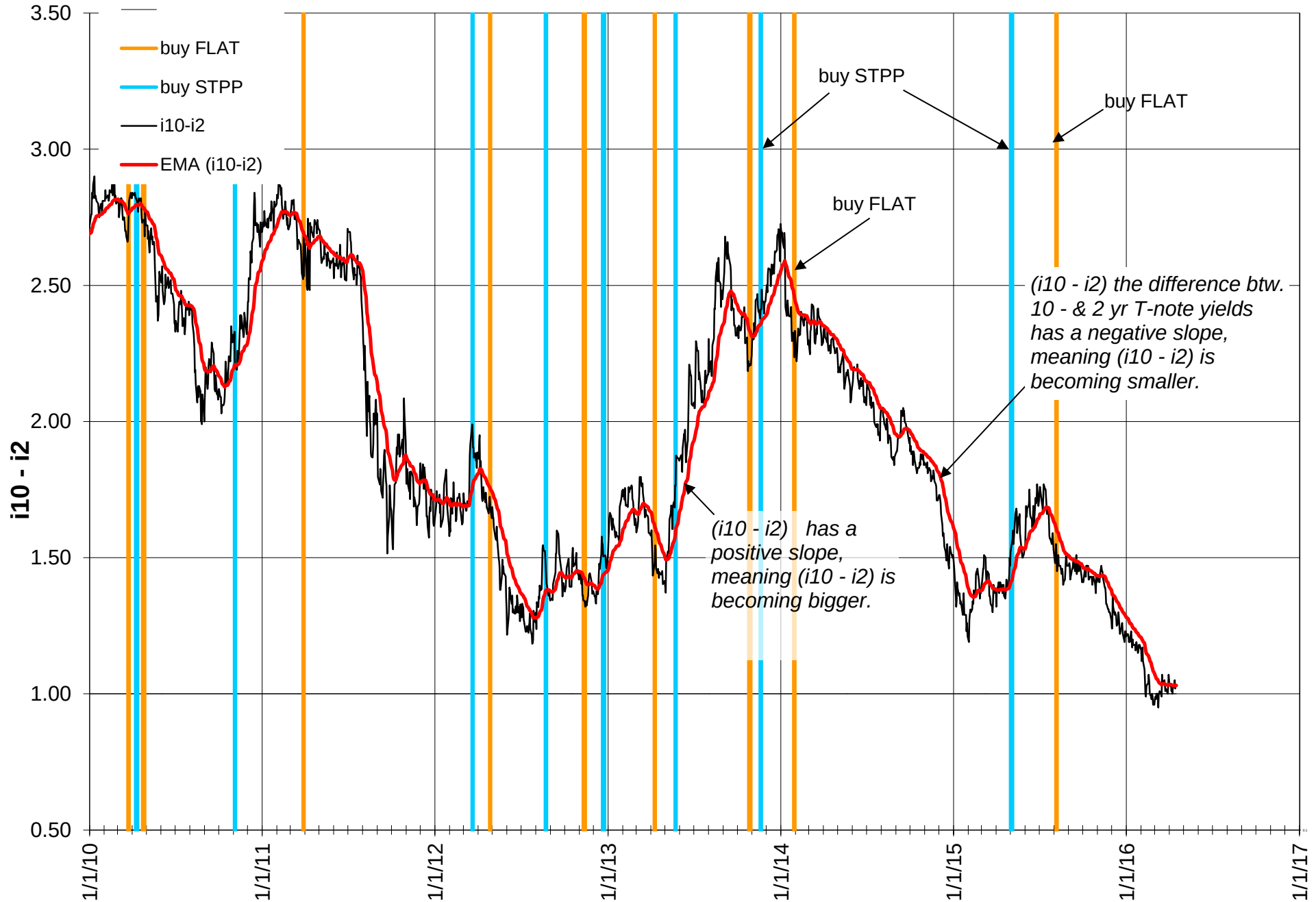


Fig. 6.1 iM GOLD-TIMER

Updated to: 4/14/2016

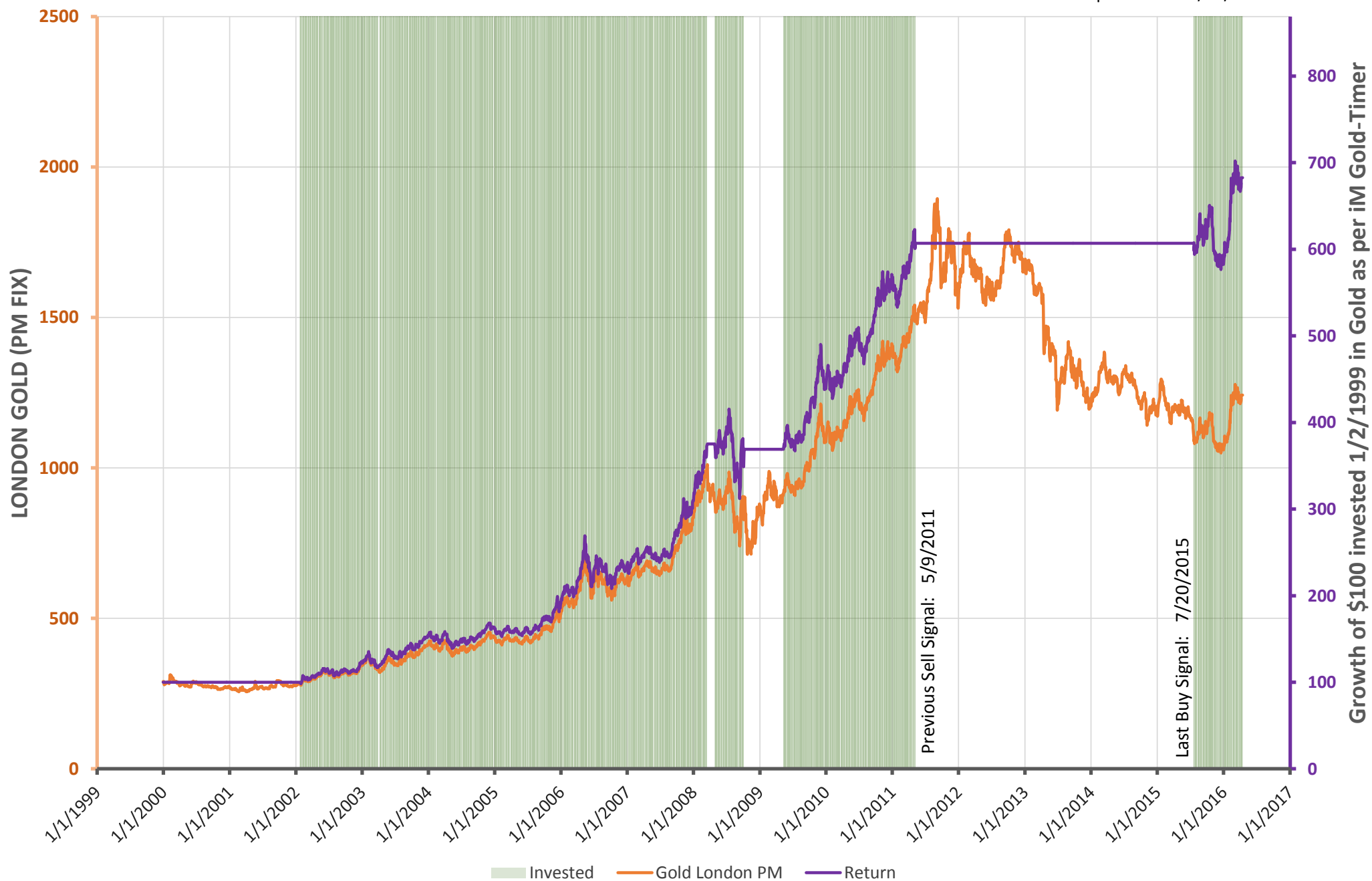


Figure 6: Modified Coppock Indicator for Gold 2009-2016

updated to 04/14/2016

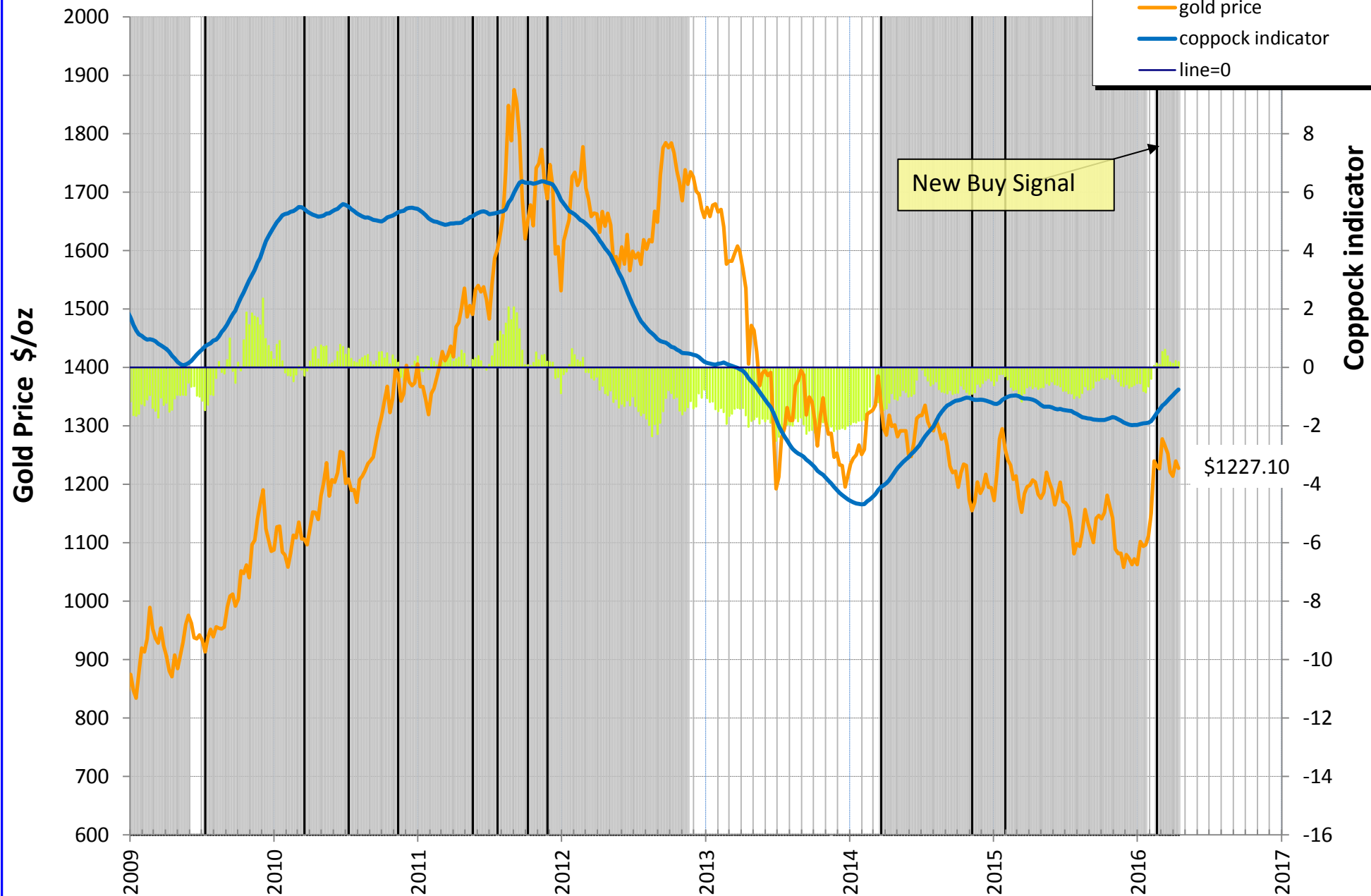


Figure 7: Modified Coppock Indicator for Silver 2009-2016

updated to 04/14/2016

