

A Practical Approach to Cycles

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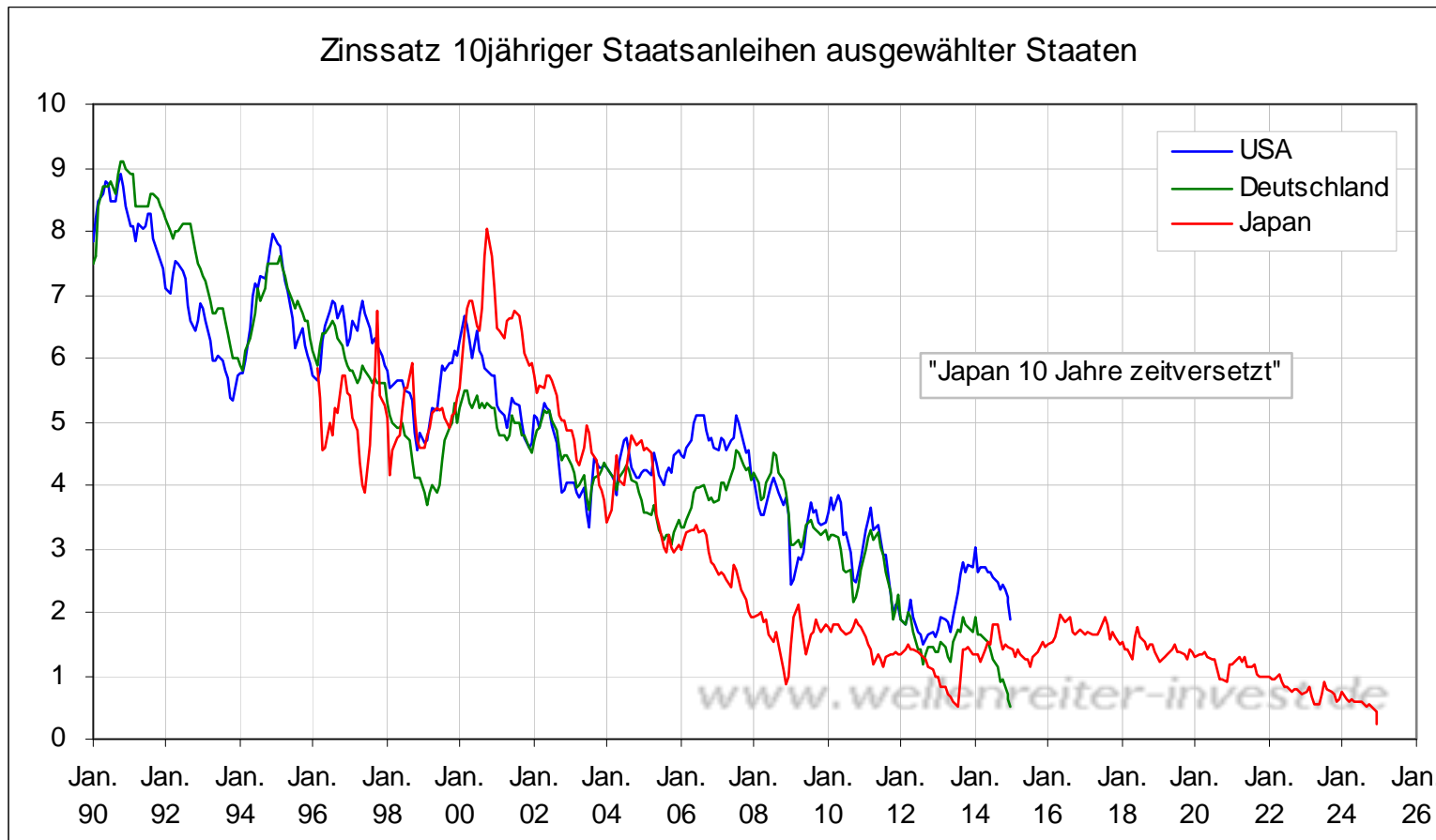
30 Year Cycle

US-Bonds



30-Year-Bond-Cycle is valid at least from 1800. Its a generational cycle.

Implication: Upmove, but...



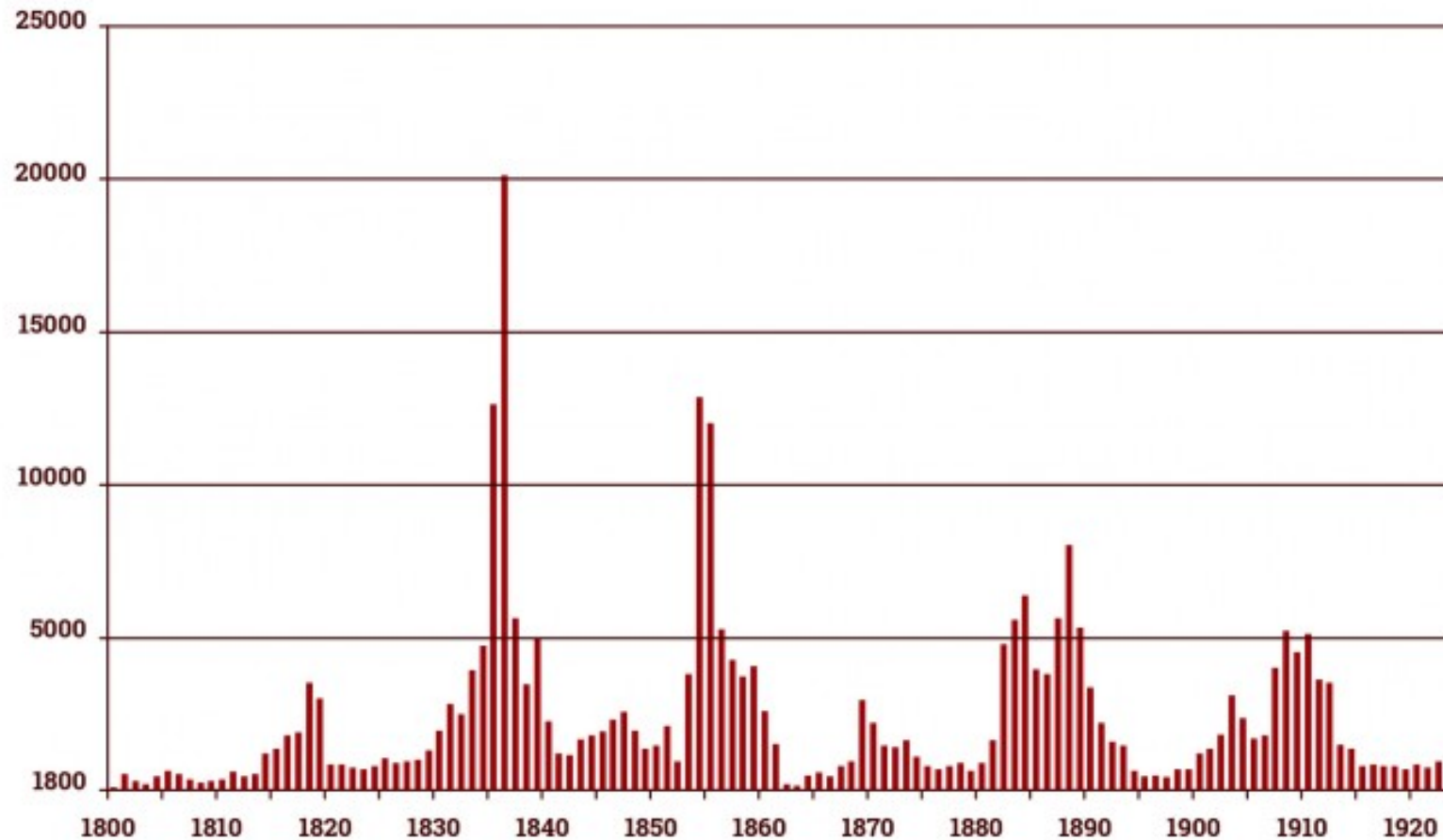
But: Japan suggests its only a short move up later in the year;

Cycle will go up, but not before the 2020ies

18-Year-Cycle

Real Estate

U.S Public Land Sales, Acres '000, 1800 - 1923

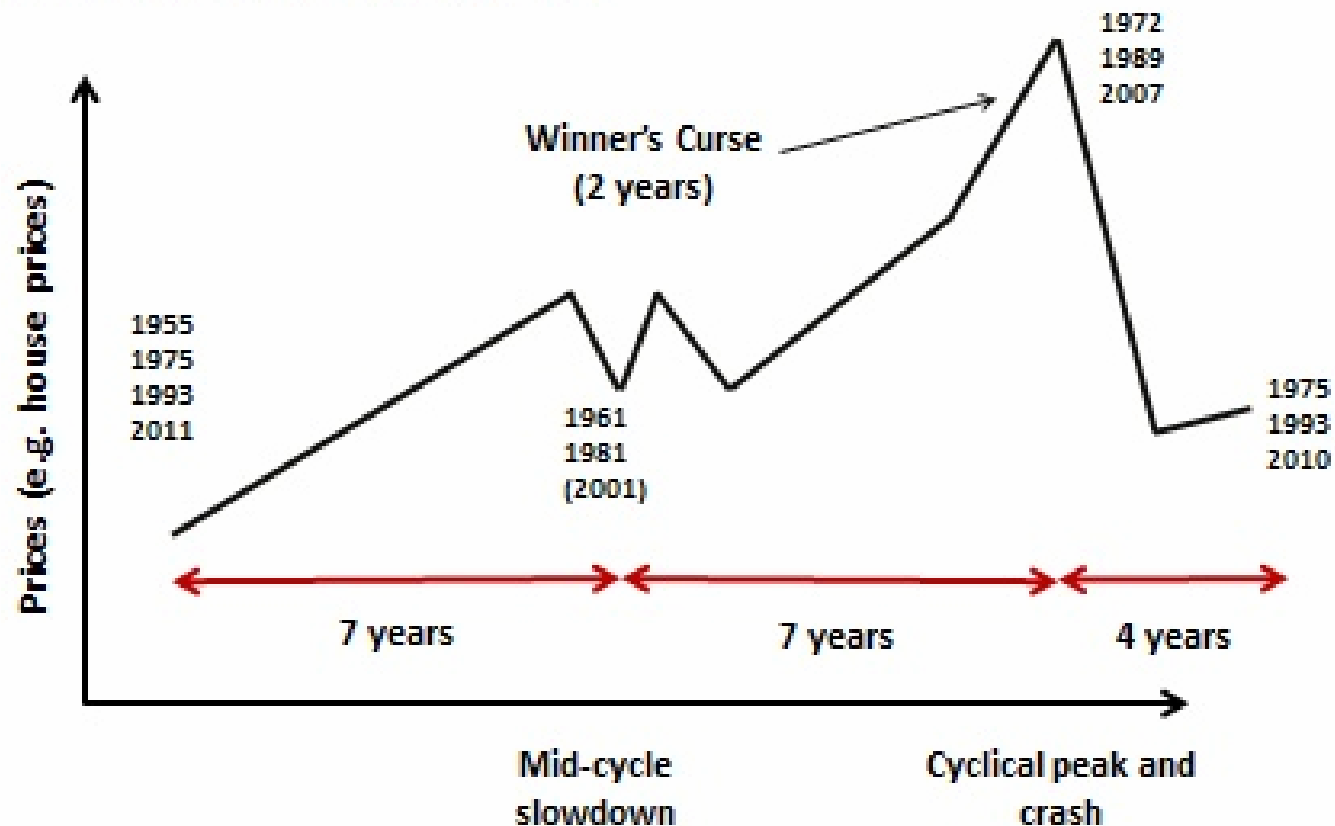


There is a speculation top every 18 years (Source: Phil Anderson)

Other sources: John Murphy, Fred Foldvary, Fred Harrison, Akhil Patel

Stylised diagram of the 18-20 year economic cycle

Adapted from: Harrison (1983), Anderson (2008)



© Ascendant Strategy and Investments 2013

The cycle goes 14 years up and 4 years down - with a hicup in between

(Source: Ascendant Strategy)

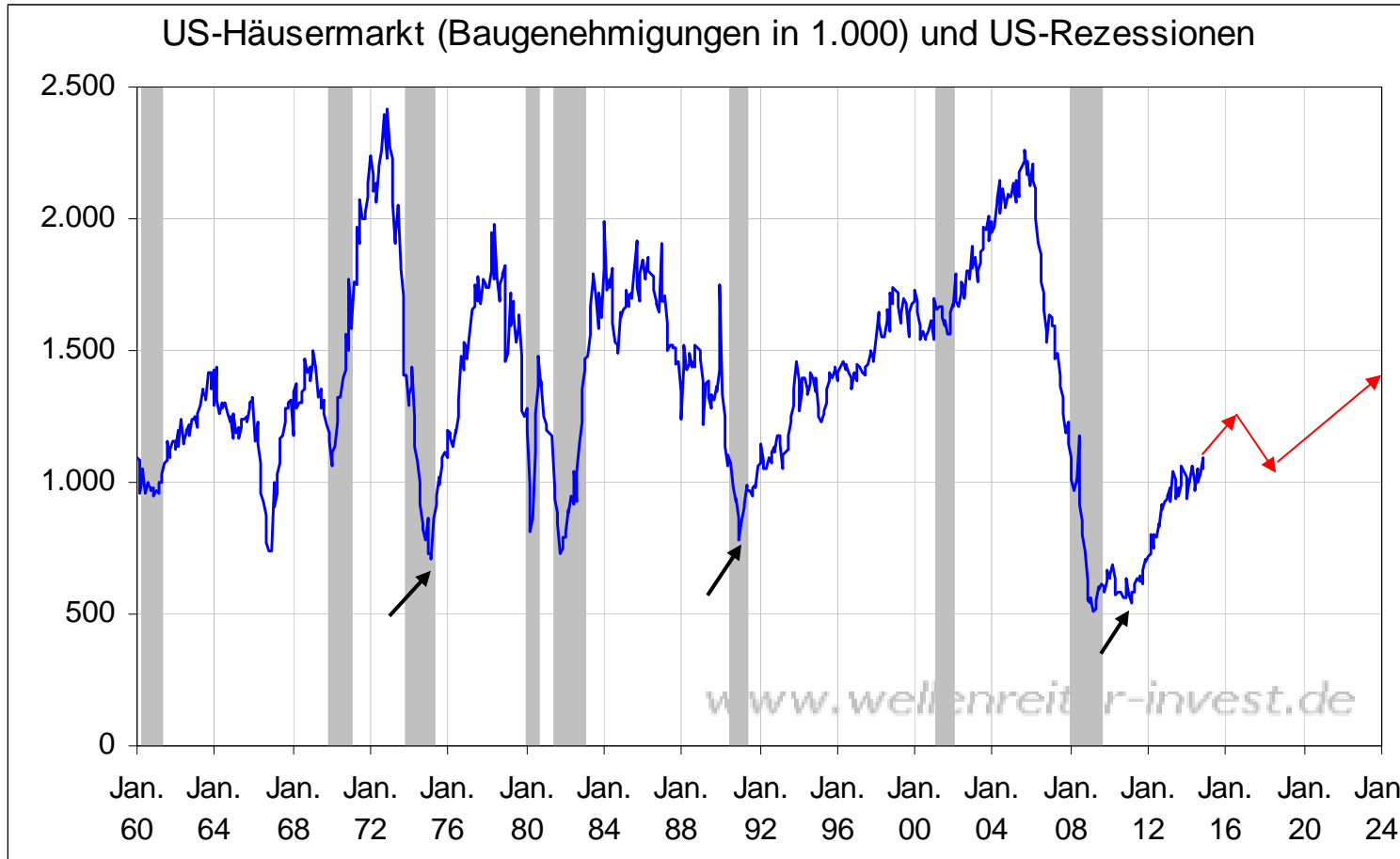
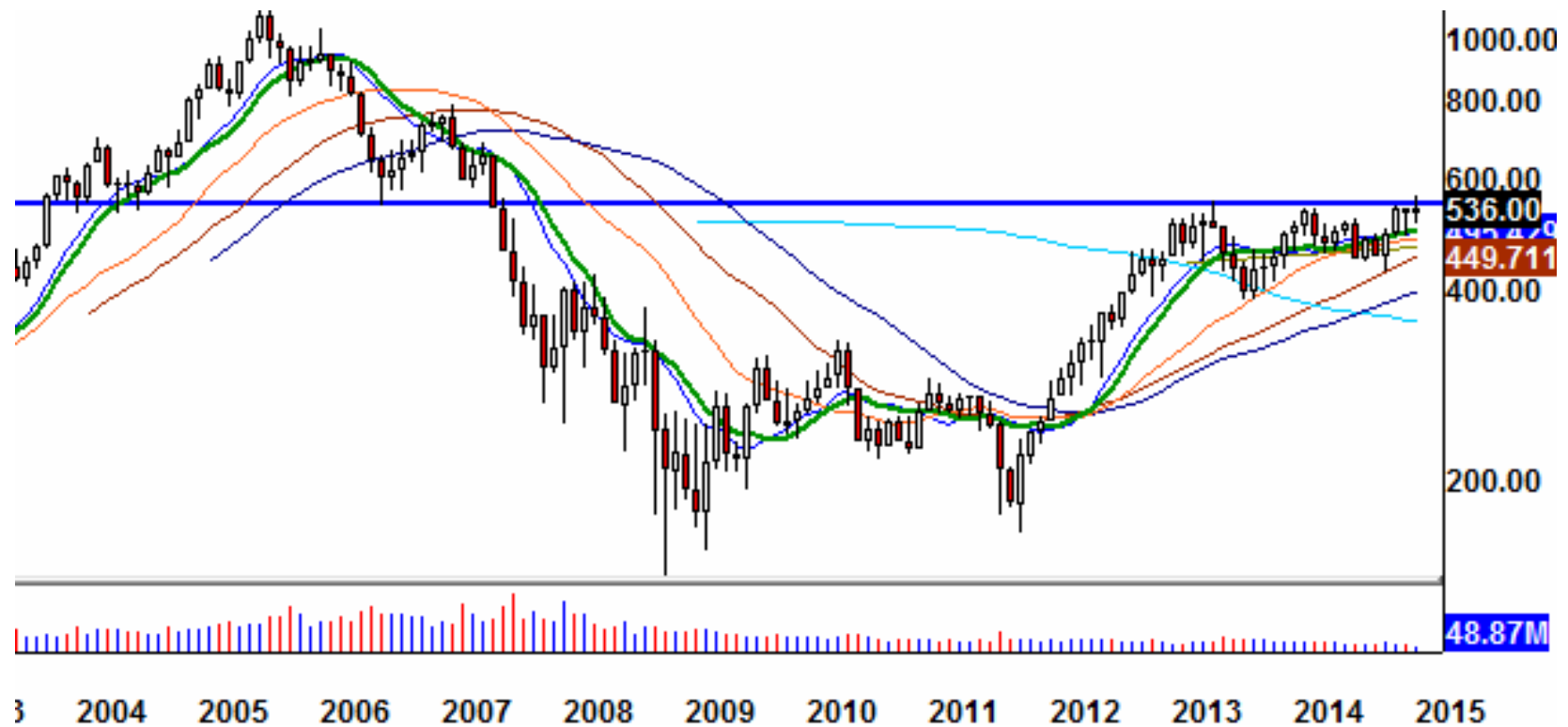
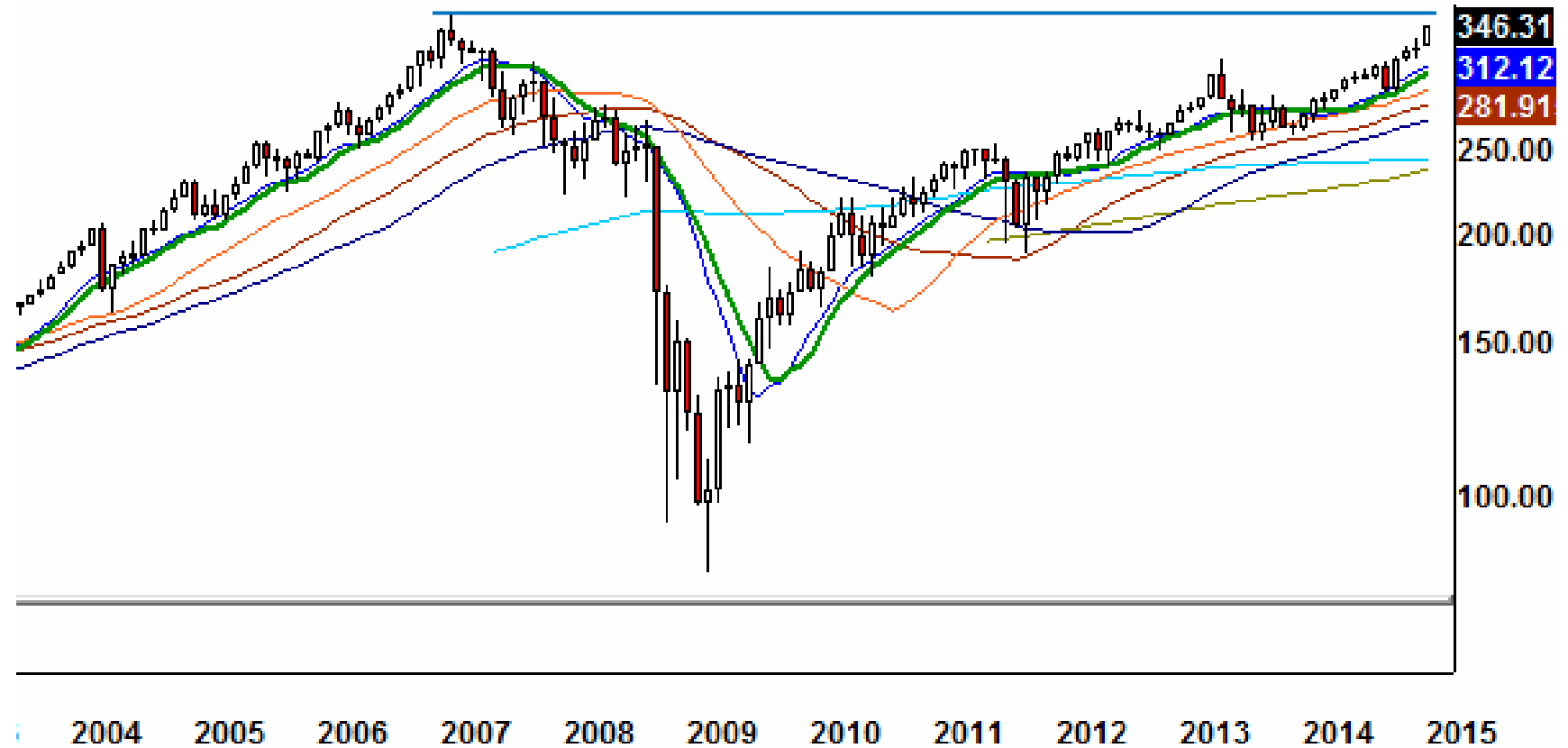


Chart shows US-Building Permits. The arrows mark the start of the last three cycles. Current cycle started in 2010. Difficulties in 2017/18; then up until 2024/25

Implication: Buy homebuilders



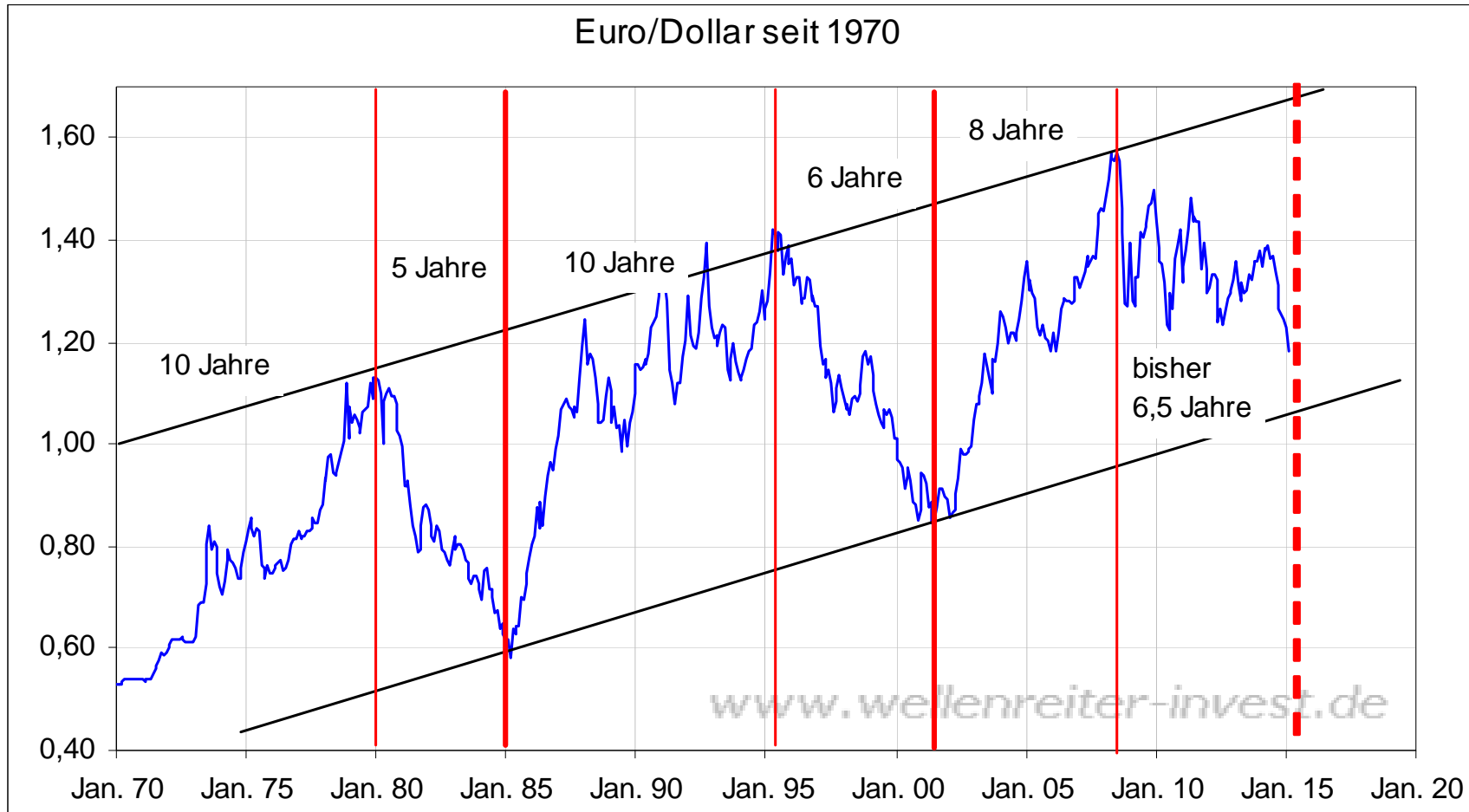
US-Homebuilding-Index DJUSHB with potential cup and handle formation;
Homebuilders are supported by very low interest rates



US-REITs-Index (DJR) trending upwards

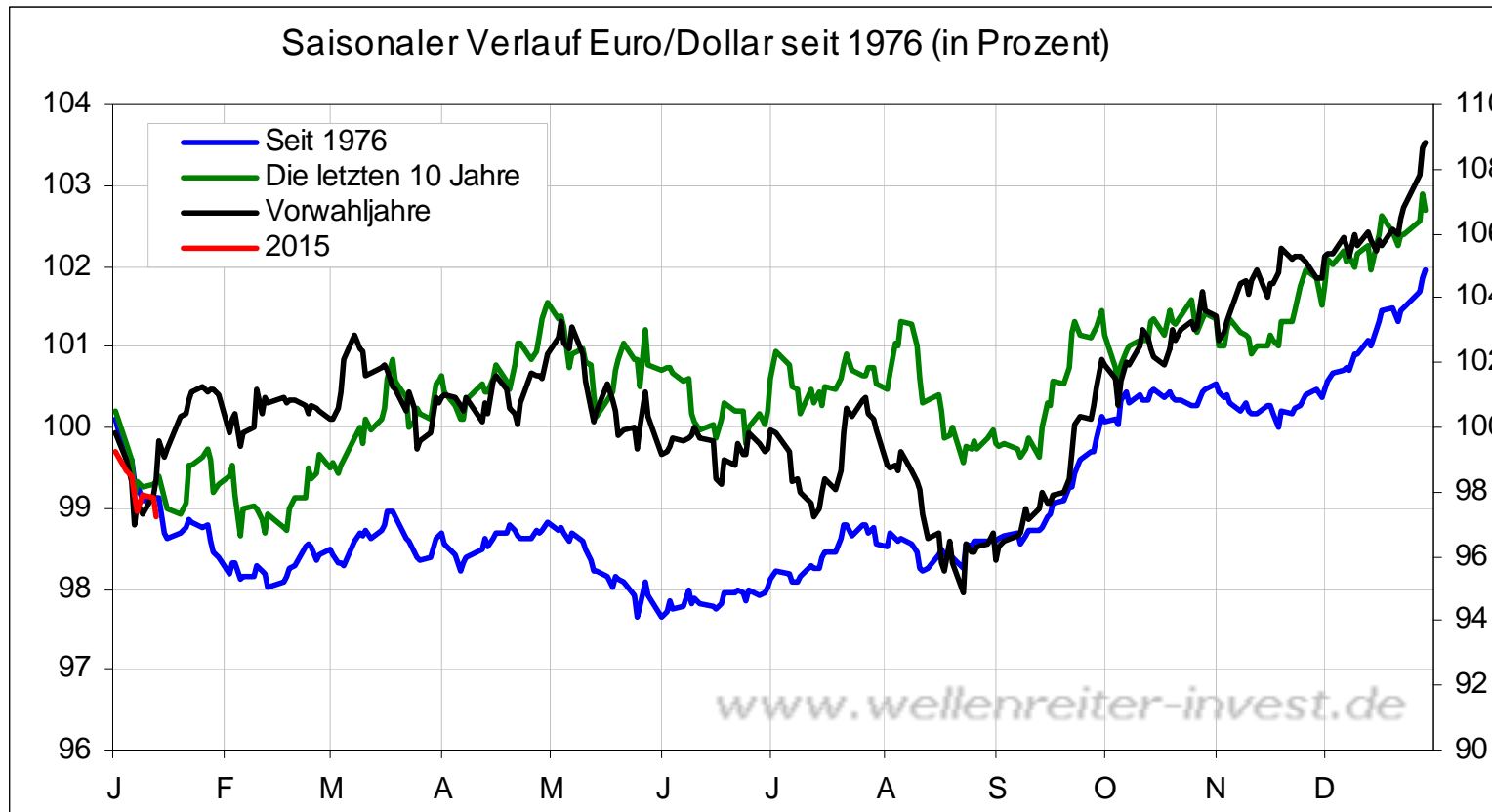
15-Year-Cycle

Forex



1. Cycle: 1970 - 1985 2. Cycle: 1985 – 2000/01 3. Cycle: 2000/01 – 2015?

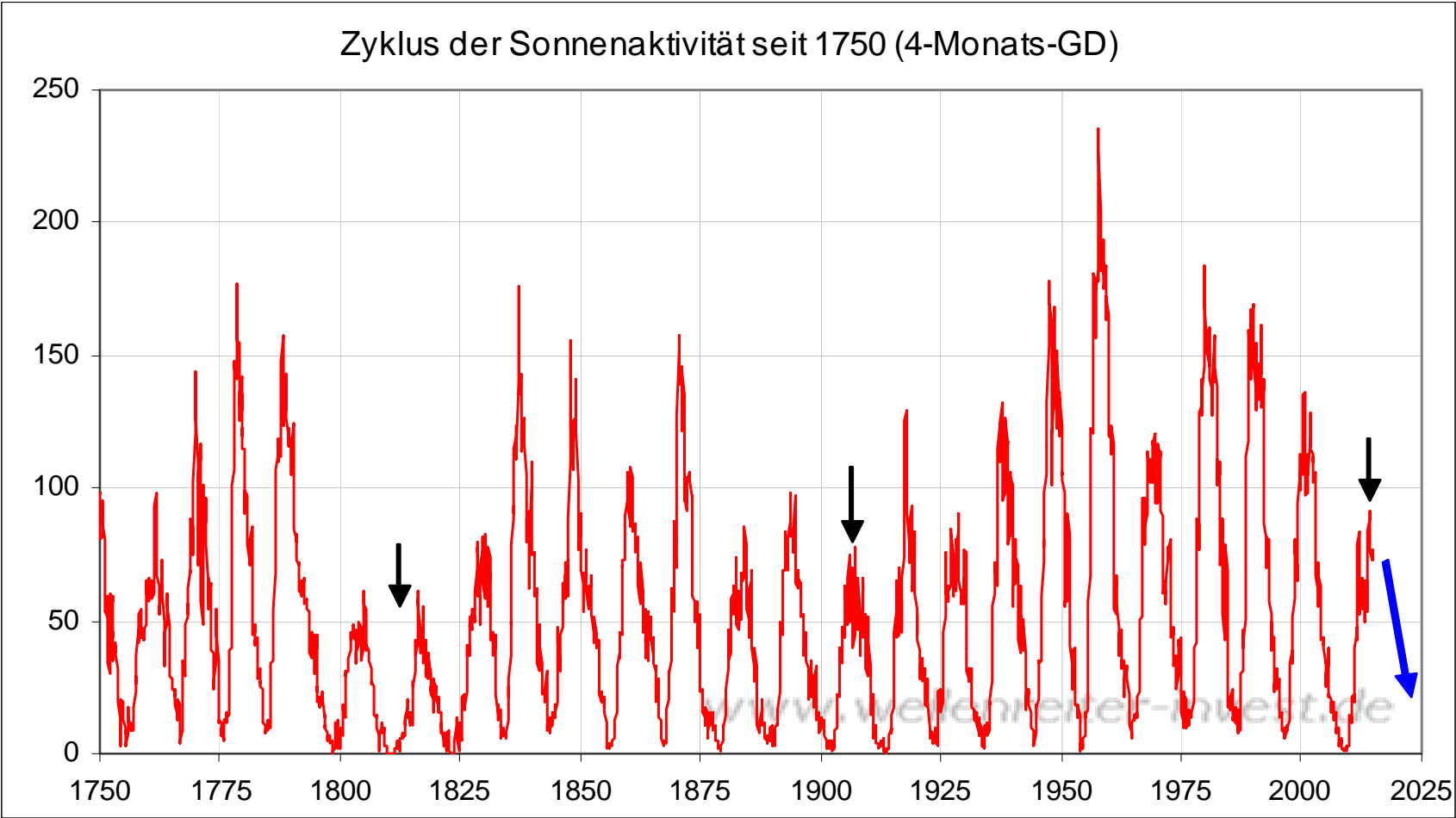
Implication: Early Euro/Dollar Low in 2015



Euro/Dollar tends to bottom early in Pre-Election Years (black line)

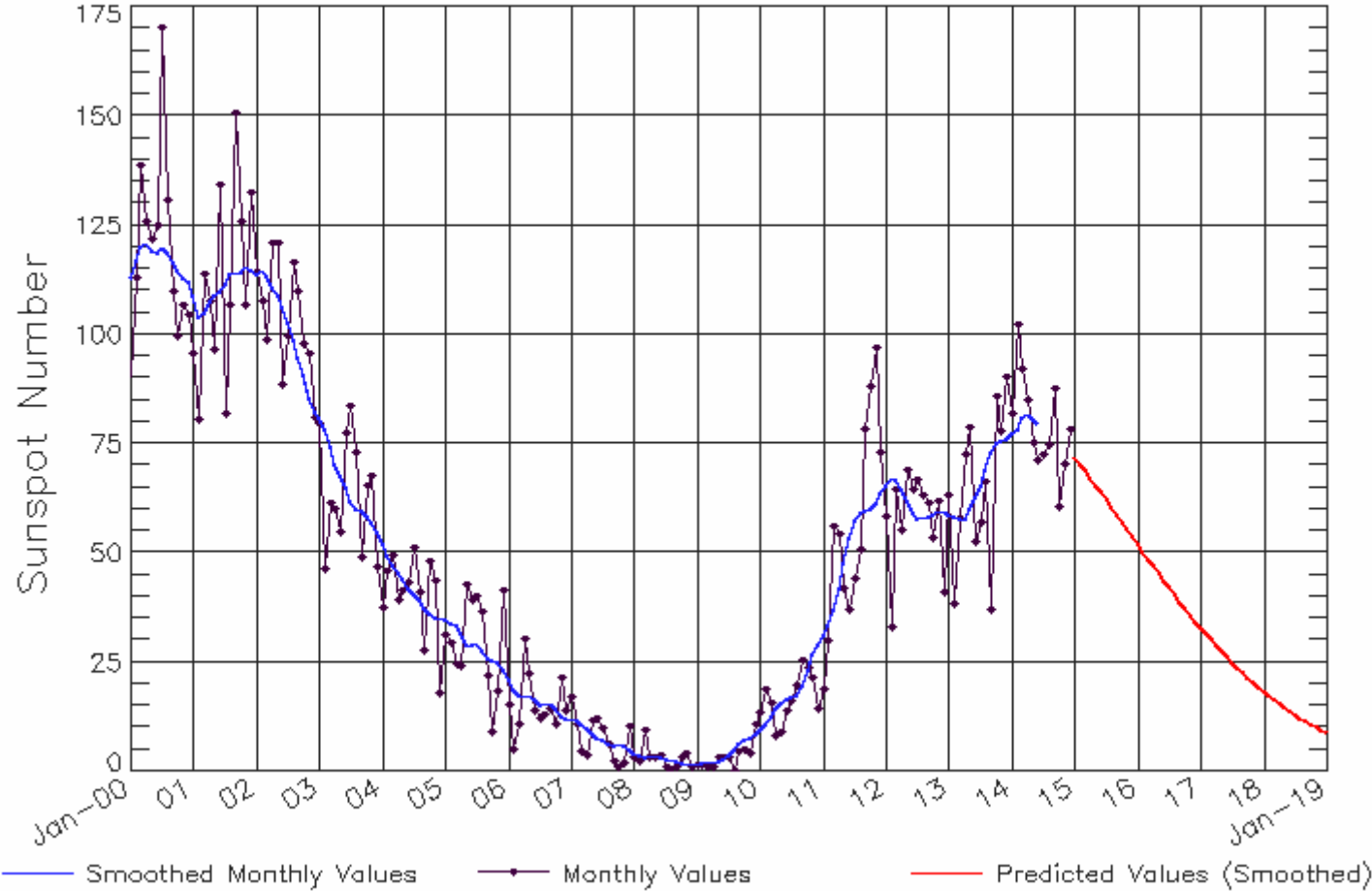
11-year-Sunspot Cycle (approx.)

Economy



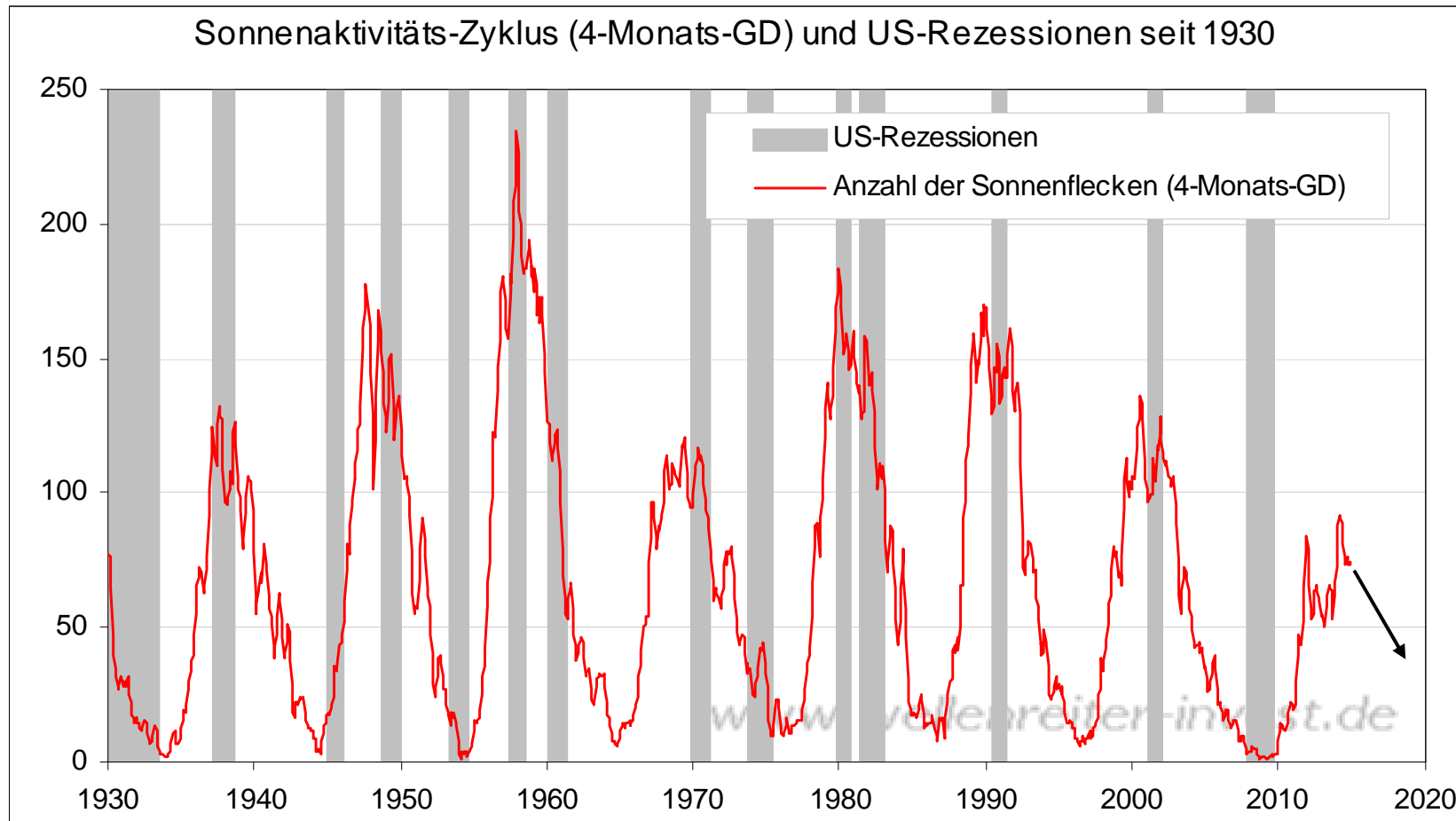
ISES Solar Cycle Sunspot Number Progression

Observed data through Dec 2014

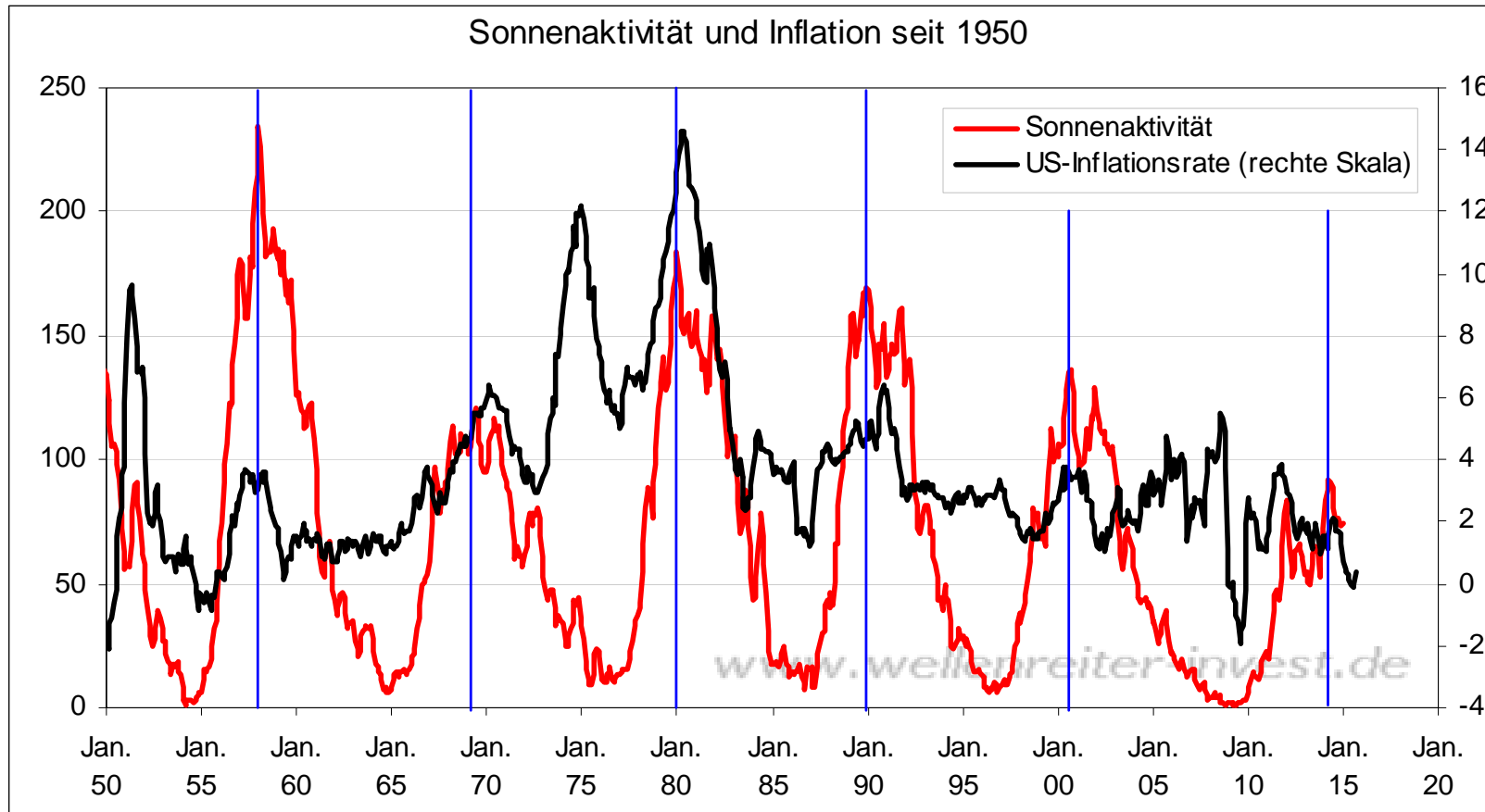


Updated 2015 Jan 5

NOAA/SWPC Boulder, CO USA



- Each cycle-peak correlates with an US-recession.
- Additionally a few recessions take place at troughs.

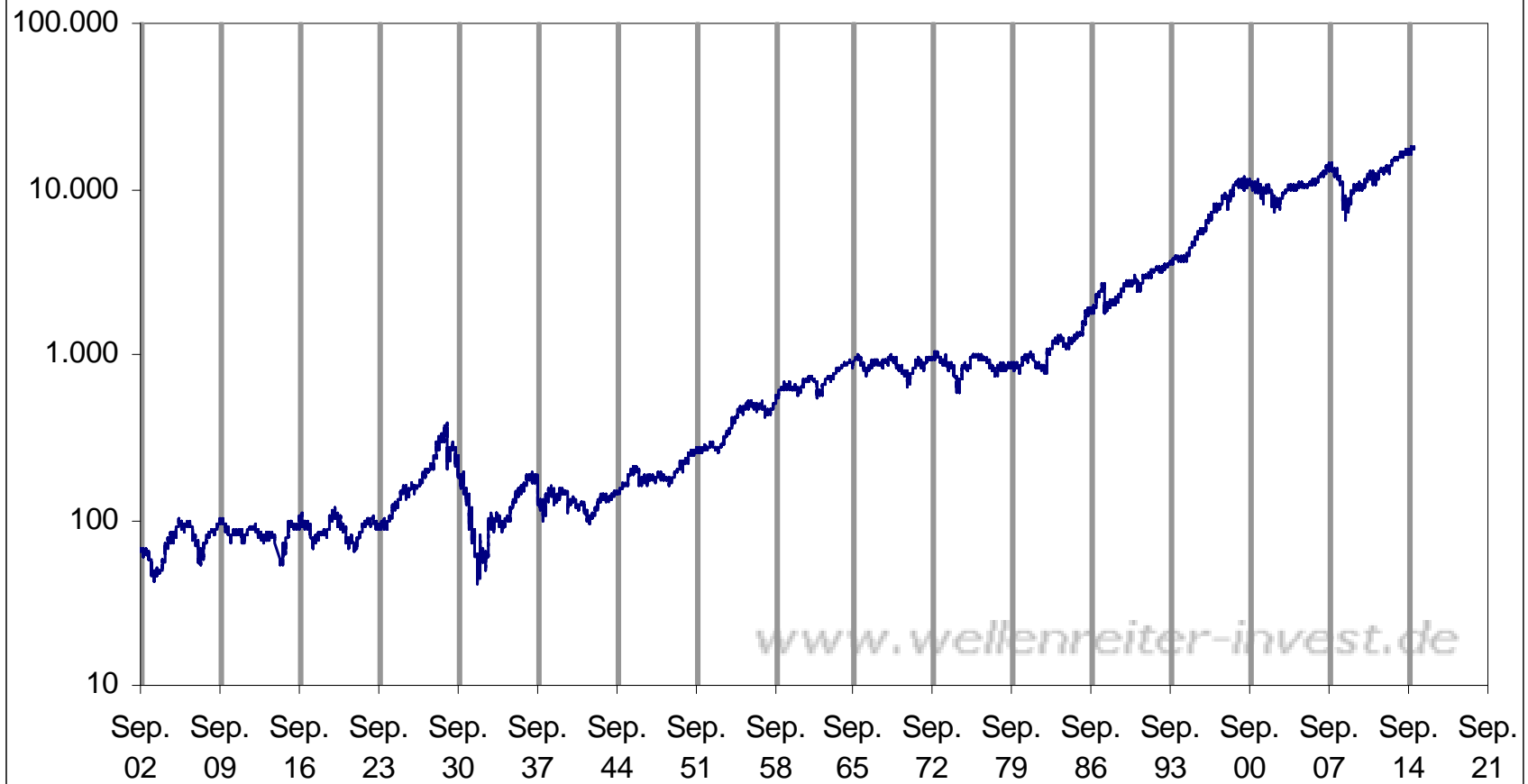


- Solar Activity and Inflation
- Spikes of Solar Activity tend to fall together with Inflationpeaks

7-Year-“Shemitah“ Cycle

Stock Market

Dow Jones Index im Sieben-Jahres-Zyklus (Sabbat-Cycle)



At the end of *every* seven years you shall grant a release *of debts*.

And this *is* the form of the release: Every creditor who has lent *anything* to his neighbor shall release *it*; he shall not require *it* of his neighbor or his brother, because it is called the Lord's release. (Deuteronomy 15:1-2)

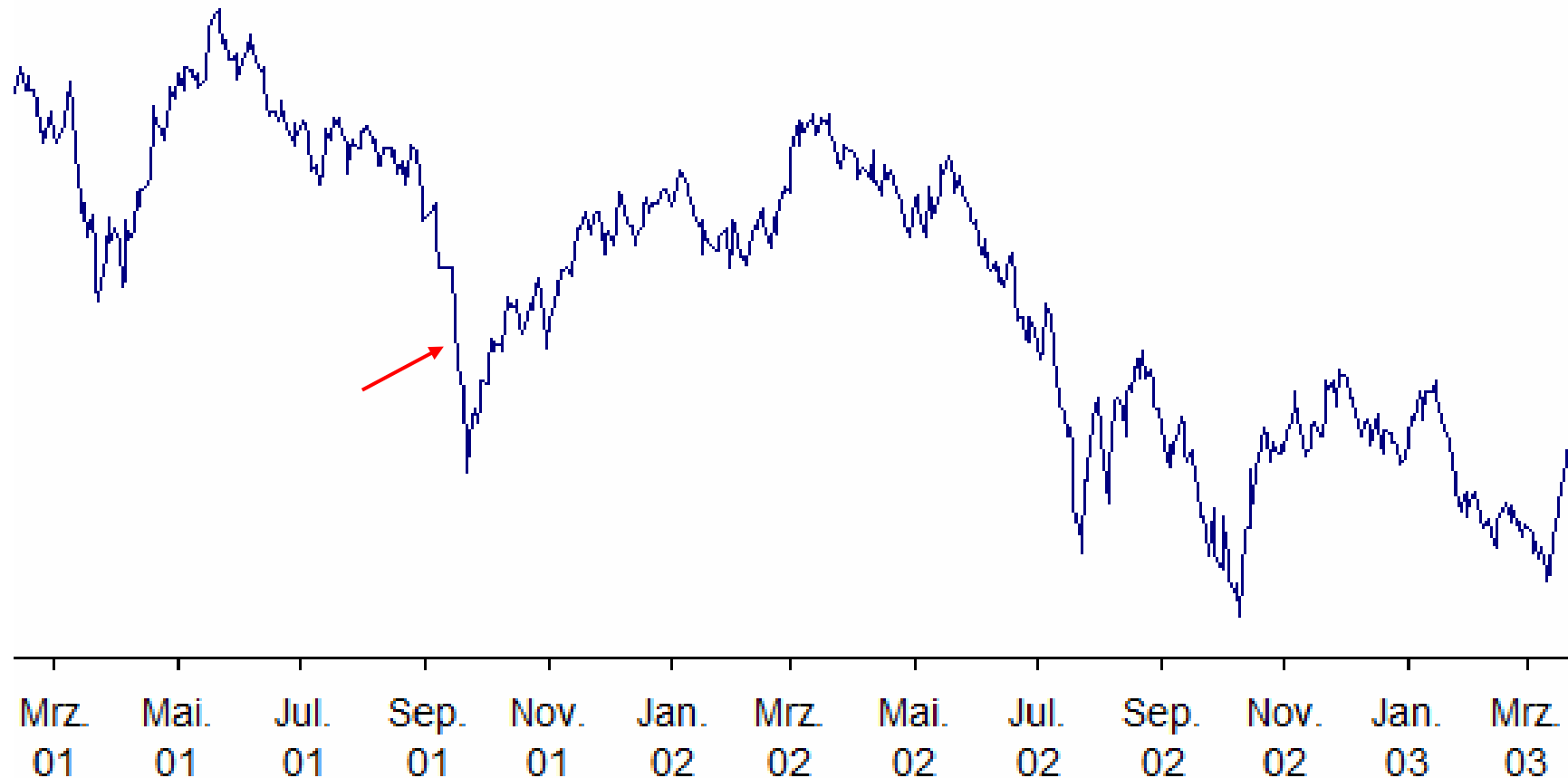
Dow Jones Index



End of Sabbath Year 2007/08: Sept. 29, 2008

Weird: Dow falls 777,7 points

Dow Jones Index



End of Sabbath Year 2000/01: Sept. 17, 2001

First day of reopening after 9/11: Dow falls 685 points

Dow Jones Index



End of Sabbath Year 1993/94: Sept. 5, 1994

The year was bumpy, but had no special „release“ date at the end.

There was a „bond crash“ (interest rates went up).

Dow Jones Index



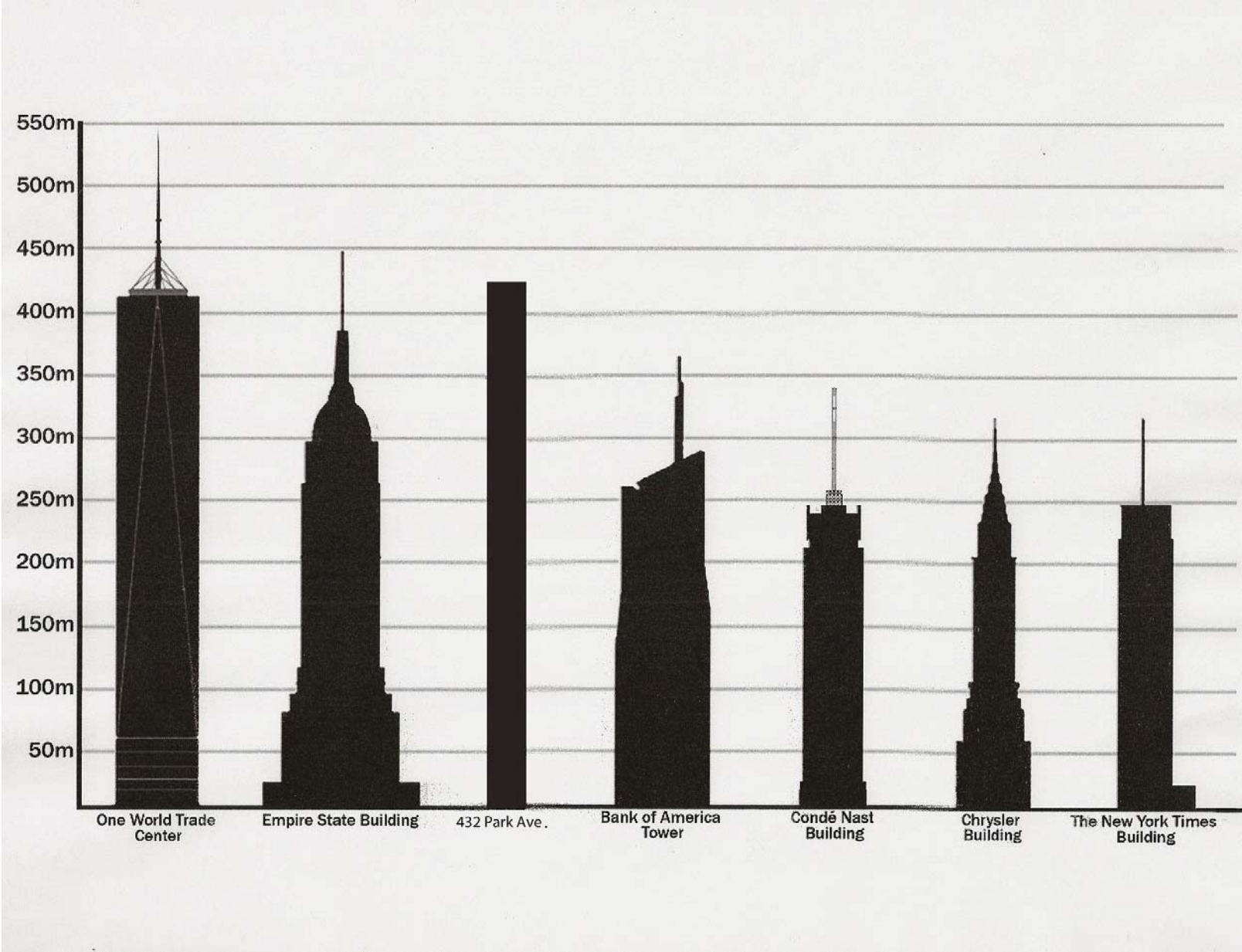
End of Sabbath Year 1986/87: Sept. 23, 1987
Crash followed in Oktober

In total:

- Three of the last four Sabbath Years saw Drama
- 1993/94 was a bumpy year
- 11 of the 16 Sabbath Years since 1900 are associated with large Corrections, Crashes or Bear Markets
- Only 2 years (1944 and 1958) were very positive

Implications:

- The current sabbath year began in September 2014
- Markets saw already
 - the Mid-October Bond Earthquake,
 - the oil price collapse
 - dramatic volatility increases
 - and today's Swiss Franc 20-Percent-rise
- this sabbath year ends on September 13, 2015



Skyscrapers are generally planned in times of bull markets and finished in times of bear markets.

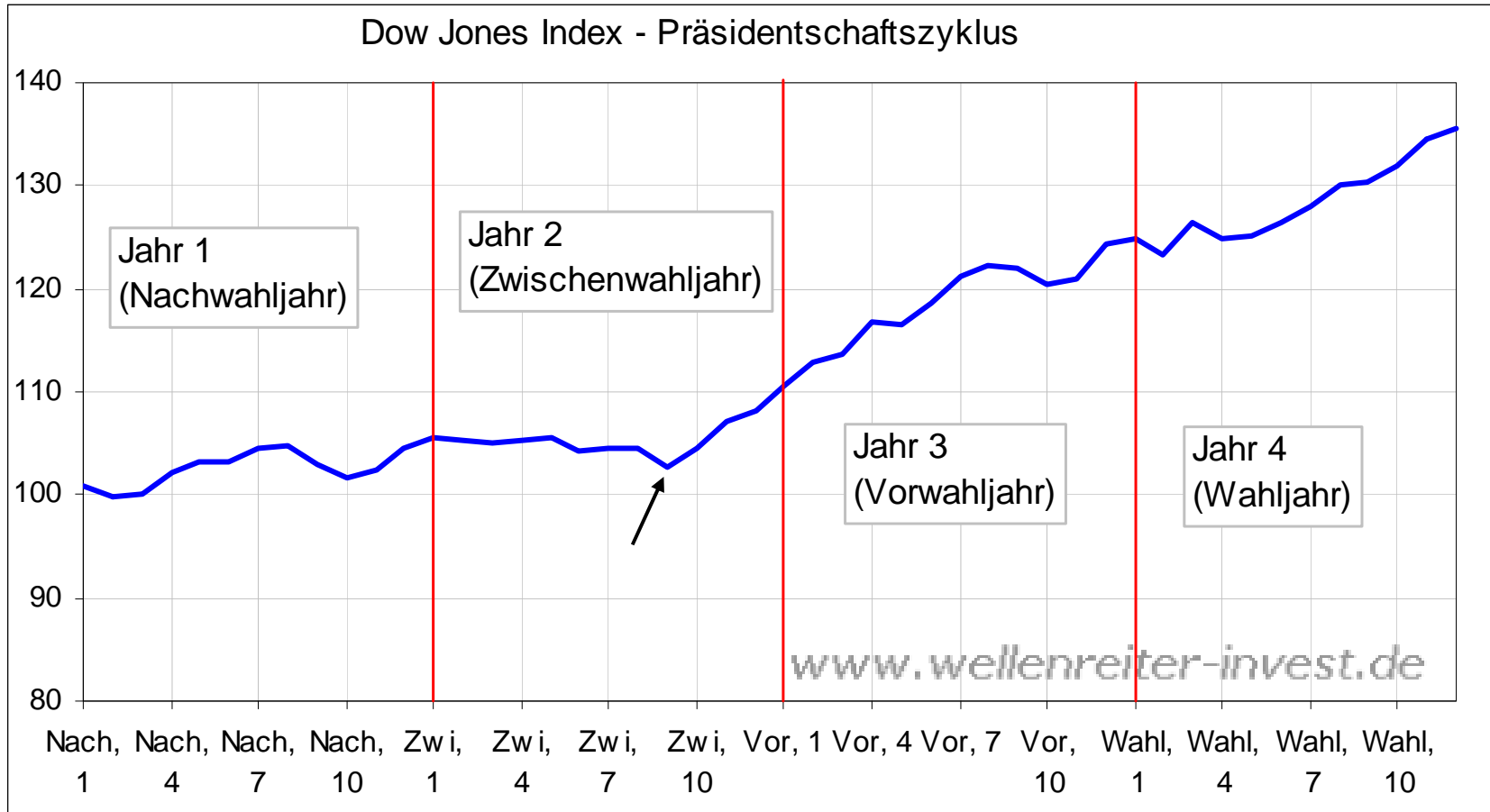
- The Empire State Building or the Burj Khalifa are examples.
- The new Building One World Trade Center is about finished. Hopefully its not a bad sign for the US-Economy
- Coincidence? Former Word Trade Center:
 - construction begun in 1966 (Sabbath Year)
 - was finished in 1973 (Sabbath Year)
 - was destroyed in 2001 (Sabbath Year)

New World Trade Center opened in Nov. 2014 (Sabbath Year)

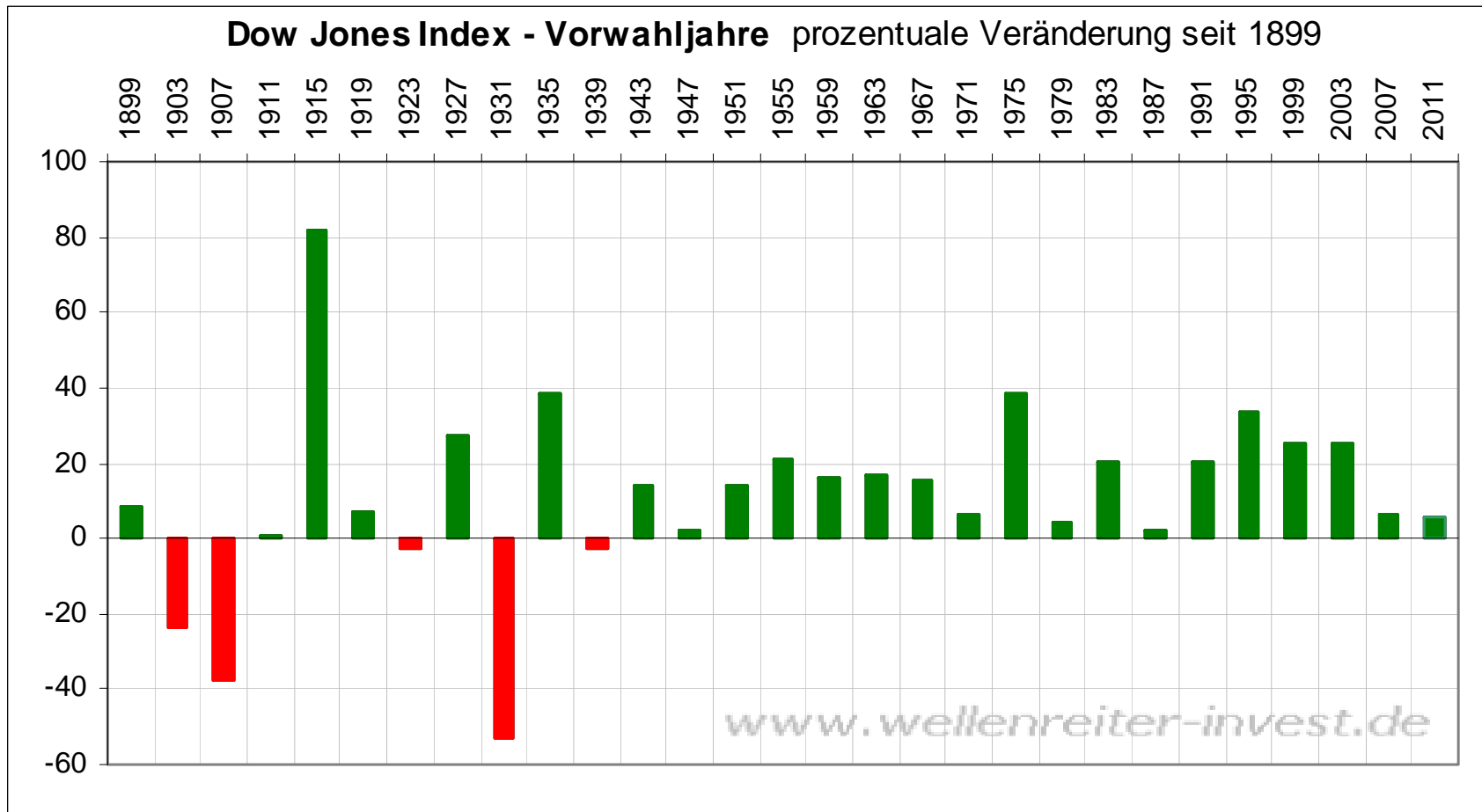
For what its worth.

4-Year-Presidents-Cycle

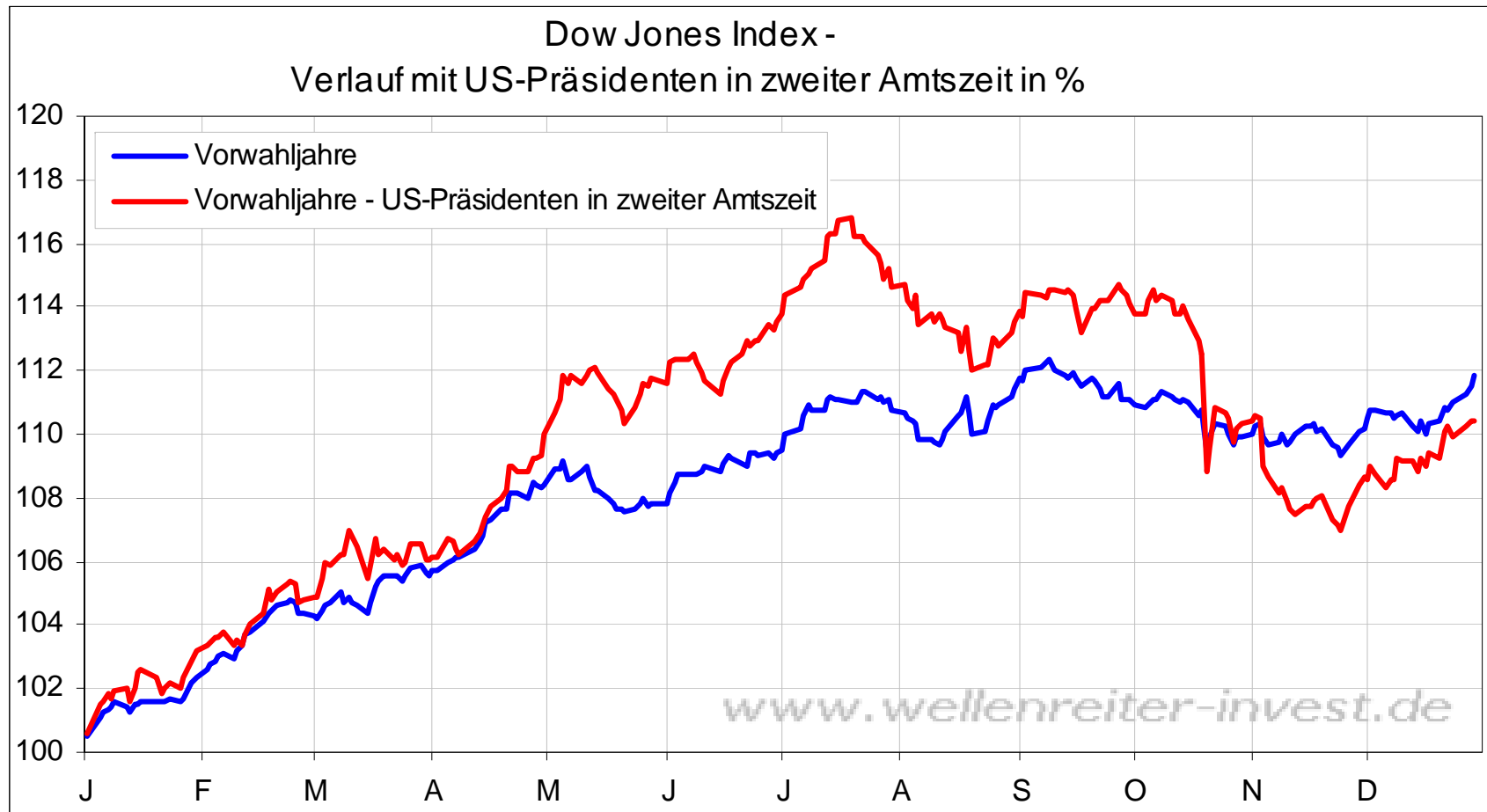
Stock Market



Post-Election Year Midterm Year Pre-Election Year Election Year



2015 is a Pre-Election year. All Pre-Election years since 1943 were positive.



2015 is a Pre-Election year with a Second-Termer US-President („lame Duck“)
This sets up good first and a challenging second half

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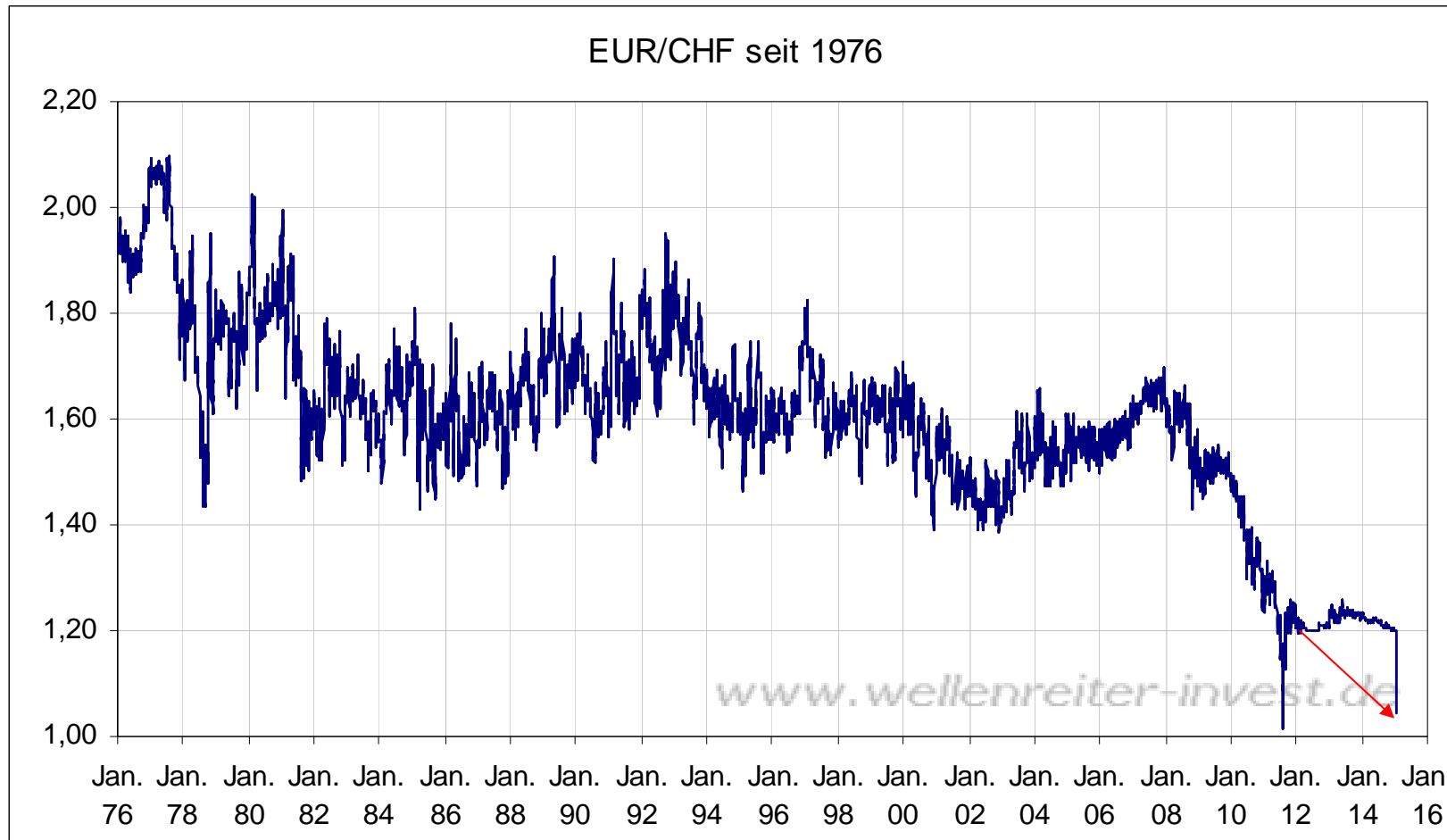
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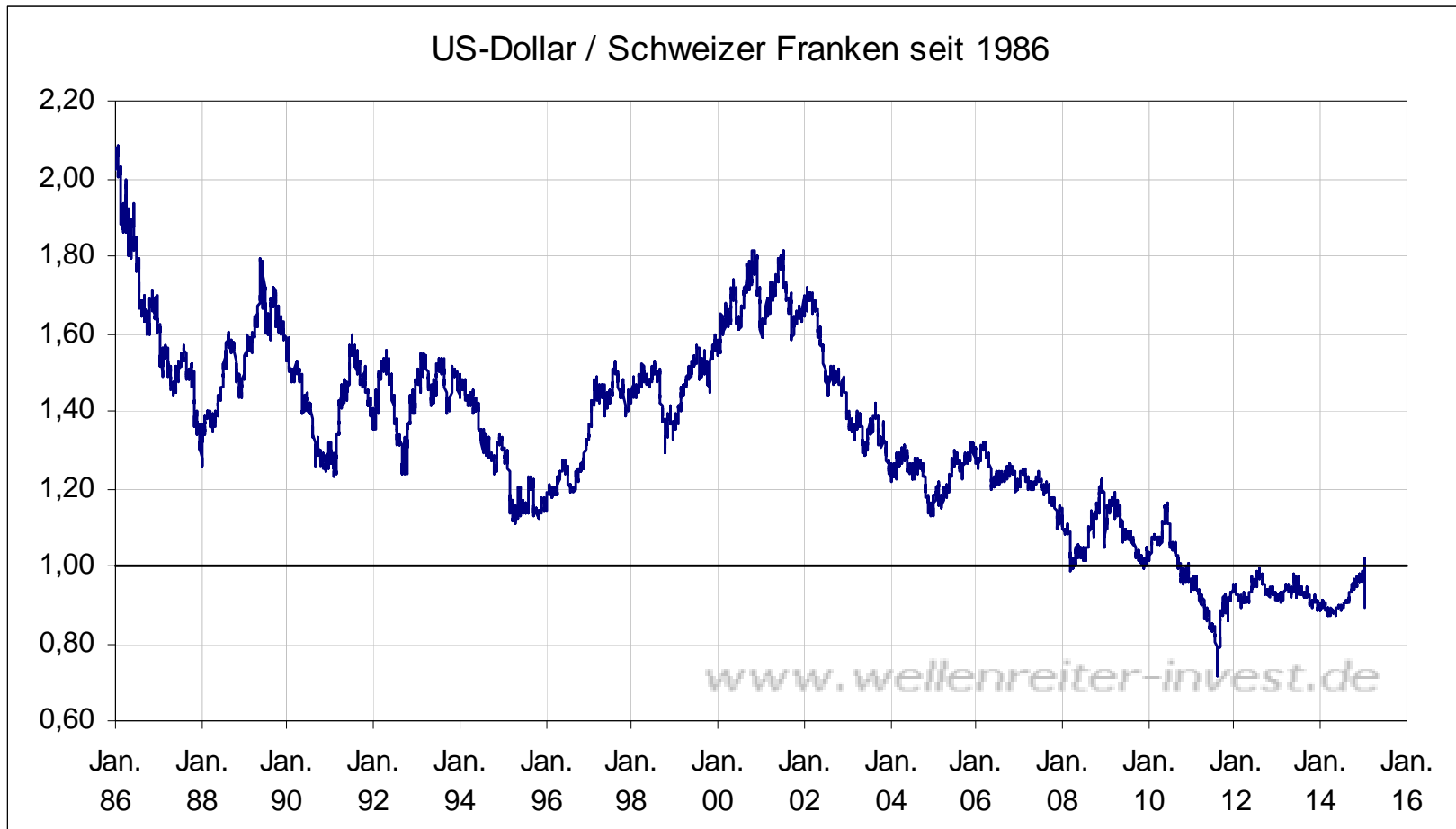
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EUR/CHF after abandoning price support of 1,20



USD/CHF after abandoning price support of 1,20