BUSINESS CYCLE DEVELOPMENTS

There's one less **Market Peak Indicator,** so there's now six of 10 **MPI's** signaling. The smallest number of **MPI's** prior to peaks has been eight **MPI's**. There have been a couple of S&P peaks with just six of 10 **MPI's** signaling, but they were external shocks, which are impossible to predict with the **MPI's**, which are data points based solely on liquidity and consumer spending measures – no market sentiment surveys, or any technical analysis data points. At the sixth **MPI** level the average gain in the S&P is +10% (+/- 5%). Narrowing that down to a *monthly average* S&P level points to 6026 (5725 to 6327) centering in Feb. '25 (Oct. thru Jun.). There's too few **MPI's** to recommend to sell into strength – the best level is eight of 10 **MPI's**.

BEAR MARKET PATTERN

S&P 500 – Daily Close Except the Last Column (Mo. Avg.) r =recessiod; sd = slowdown

S&P 500 Peak	5% Decline	10% Decline	Total % Decline	S&P Mo. Avg. Low & Number of Months
2/37	10 Days	41 Days	-52.3%	4/38 & 14 mo.
10/39	23	162	-43.4	4/42 & 30 mo.
5/46	15	62	-29.6	6/49 & 37 mo.
1/53	59	108	-14.8	9/53 & 8 mo.
7/56	20	41	-21.6	12/57 & 17 mo.
7/59	26	149	-13.9	10/60 & 15 mo. (r)
12/61	19	95	-28.0	6/62 & 6 mo. (sd)
1/66	14	66	-22.2	10/66 & 9 mo. (sd)
12/68	20	133	-35.9	5/70 & 17 mo. (r)
1/73	16	73	-48.2	12/74 & 23 mo. (r)
9/76	14	149 Mexico devalues	-19.4	3/78 & 18 mo. (sd)
2/80	9	17 Credit Controls	-17.1	3/80 & 1 mo. (r)
11/80	6	185	-27.1	8/82 & 20 mo. (r)
10/83	14	85	-14.4	7/84 & 9 mo. (sd)
8/87	8	36	-33.5	12/87 & 4 mo. (sd)
6/90	14	25 Gulf War #1	-19.9	10/90 & 4 mo. (r)
1/94	18	n/a	-8.9	4/94 & 3 mo. (sd)
7/98	8	20	-19.3	9/98 & 2 mo. (sd)
8/00	15	27	-36.5	9/01 & 13 mo. (r)
3/02	16	33	-31.8	2/03 & 11 mo. (sd)
2/04	27	n/a	-8.2	8/04 & 6 mo. (sd)
10/07	21	33	-56.3	3/09 & 17 mo. (r)
4/10	9	19	-16.0	7/10 & 3 mo. (sd)
3/12	29	42	-10.0	6/12 & 3 mo. (sd)
5/15	64	65 China's devaluations	-14.2	2/16 & 9 mo. (r)
9/18	15	45	-19.8	12/18 & 3 mo. (sd)
2/20	6	8 Covid-19	-33.9	3/20 & 1 mo. (r)
12/21	14	43	-25.4	10/22 & 10 mo. (sd)
Avg.	20 days (+/- 9 days)	69 days (+/- 42 days)	-25.8% (+/- 11%)	

sd: slowdown. r: recession.

From above it takes about 20 trading days from the S&P peak to deliver -5% declines and about 70 trading days to deliver a -10% drop. The latter (i.e. -10%) is about 40% of the average S&P decline in a bear market (-25.8%). Another observation is that declines associated with economic slowdowns average -20%, while those related to recessions average -30%. There are no **Business Cycle Peak Indicators**, so this 24 month old bull market – when it tops – is not likely to be discounting recession, as there are no **BCPI's** predicting one. In addition, the current and past administration has resorted to massive fiscal/monetary stimulation at the slightest sign of slowing, so a recession is very unlikely.