


# Long Cycle Market Timing

## Crises and the Dollar

August 10, 2017 at 5:09 pm | Posted in [Uncategorized](#) | [Leave a comment](#)

The U.S. Dollar has decline this year despite international crises. Even the risk of military confrontation in East Asia has not produced the rise seen, for example, in 1983-84 during the European crisis over short term nuclear missiles.

 FX 1954

I find this unusual. Although the long term U.S. Dollar trend is down, reflecting the poor trade performance of U.S. manufacturing in the face of Asian competition, I would have thought the Dollar would be 5% to 8% higher than it is today. We'll see. Clearly markets are expecting a peaceful resolution of the Korean issues.



REPORT THIS AD

## June 2017: Not a replay of the 2000 Bubble

June 21, 2017 at 3:38 pm | Posted in [Uncategorized](#) | [Leave a comment](#)

Many commentators decry this market as a speculative replay of the Year 2000 Tech Bubble. I disagree. Of course prices are high, and buying feverish, particularly in momentum stocks like the techs. But new issues are not speculative, despite the occasional sensation IPO like SNAP.

 New Issues 8yr

The IPO market is dull compared to the famous new issue markets of the late 1960's, early 1980's, pre-1987. There was a little excess in 2014-15 but that was burned off by the sideways correction of 2015-16.

So this market is high. Buyers are indeed buying on the "buy high and ride it" theory. But surprisingly, perhaps, the new issue market suggests this speculative binge has a way to go until the feared 20% correction.


## May 2017: Margin Debt....

October 24, 2016 at 8:12 pm | Posted in [Uncategorized](#) | [Leave a comment](#)

has begun to rise, relative to its cyclical 36 month moving average, as enthusiasm for a rising market sparks some speculation. But within a short cycle — 3 to 4 years — the growth in margin debt appears to be early, suggesting that speculation will yet increase and push prices higher, though with fits and starts.

 Margin LT

Relative to the 8 year moving average of a full normal long cycle, margin is high and when the next business cycle downturn comes, both margin and stock prices will decline severely, but that could be a year or two out (assuming no total meltdown in Washington!).

 Margin LTb

In sum, the excess in the market present in early 2015 was worked off by the market going sideways in 2015-16. The stock market may be high, but despite the bullish run, is not yet historically dangerously speculative, though working at it!

[BLOG AT WORDPRESS.COM.](#)  
[ENTRIES AND COMMENTS FEEDS.](#)