

## S&P500: Long-Term Cycles Adjustment on Quarterly Chart

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At the start of 2025, we showed a chart of the S&P500 starting in 1950 with diverse long-term cycles, mentioning some anecdotes about the non-acceptance of Cycles among Central bankers or young climatology students (and probably also in the academic community). Calling the economist Schumpeter to the rescue runs the risk of being considered a "has been" market economist as current mainstream thinking (not to call it "ideology") promises to Man that AI will make him almighty in smoothing the business cycle. Time will tell, and modest Market Analysts must scramble to approximate the ebbs and flows of financial data like the S&P500 index with cycles, which is not only a delicate endeavor but could sometimes become a costly one.

Let me update the quarterly chart of the S&P500 and share a few perspectives at the end of the first quarter of 2025. First, it should be mentioned that we shifted the famous Kondratieff cycle of the **54-55.8-year Cycle** backward by half a cycle (i.e. 27.75 years). **Instead of a low in December 1974, it displays a peak in 1974** and made its low in 2002 with the 27.75-year Cycle. It is more intuitive with this shift as the Kondratieff cycle is related to Commodities prices and less to Equity prices. Of course, I repeat that displaying cycles as circles focuses more on the time window of the lows, not on the location of the high between the lows. Further, it neglects any left or right skew. But, it conveniently reveals some harmonic relationship between cycles. Basing all cycles in December 1974, it also highlights past coincident time windows for lows like 2002, 2011, and **the next one in 2030**.

The bottom line for these cycles at the end of the first quarter of 2025

remains an optimistic message: despite the quarterly engulfing candle (**black dark cloud** below, i.e. a down quarter reversing the range of the previous one), which probably results from risk management adjustments possibly induced by the political landscape in the USA, the uptrend of the S&P500 has NOT yet turned down, when looking at it since 2022 or even since 2009. Longer-term Market Analysts will wait to see **lower highs and lower lows** on the quarterly chart before making a bearish call! Sure, the turf is free for other market analysts working on shorter time frames. Meanwhile, I suspect that one will have to wait until the mid-term election in 2026 for the next major big cyclical bottom for the S&P500. I dare to think, based on evidence not to be revealed here in this short report, that the recent short-term tops between the end of 2024 and mid-February 2025 are NOT THE final top that many impatient Bears consider.

However, being aware of the Real Estate 18.6-year Cycle (**red dashed line**), there is a risk that a top is probably due sometime between 2025-2026 (+14 years after the 2011 previous low). Further, we noted in our **December 2024 BestView** report that during the "last century, the top occurred at +13.5-years in 1968 and at +12.5 years in 1987. This was a tad faster than in the past cycle at +14 years in 2007."

So let's repeat the infamous market analyst Bob Farrell: "Exponential rapidly rising or falling markets usually go further than you think, but they do not correct by going sideways." 2025 will not be, as we say in French "un long fleuve tranquille." Wishing you a Prosperous Second Quarter 2025.

### S&P500: Quarterly Candles (1928-28 March 2025)

with 40-Quarter Moving Average (**orange solid line**) with S&P500 volume since 1982 at the bottom

A major volume spike appears during the Global Financial Crisis (GFC) of 2007-2009. The fixed cycles represented are all based at the December 1974 low (S&P500 at 60.96), except for the 54-55.8-Year Cycle, whose top is anchored in 1974.

• **4-Year US Presidential Cycle (blue)** making its low during the 2nd year in office ("mid-term election"). The theoretical low of this cycle is due in 2026.

• **9.25-Year Cycle (black)** is often called the Juglar, or Investment Cycle or 10-Year Cycle. This is NOT the Decennial Cycle, which averages all years in 0, 1, 2 ... 7, 8, 9 over about the last 100 years or so. For the Decennial Cycle for example, on average the year ending in 5 shows an above-average return, while years ending in 0, 1 or 2 show a below-average return.

• **27.75-Year Cycle (green)** is 3x the 9.25 year and is about coincident every 28 years with the 4-year cycle. The last time was in October 2002. The next time will be in 2030.

• **37-Year Cycle (brown)** is a linear combination of the 4-Year Presidential Cycle and the 9.25-Year Cycle. Sometimes it is viewed as an Asymmetric Cycle going up 32 years and down 5 years to account for the right skew of the 37-Year Cycle and the longer-term rising uptrend of the S&P500. Note it is also twice the 18.6 Real Estate Cycle.

• **18.6-Year Cycle (vertical red solid line)** is a Real Estate Cycle in the US (Akhil Patel) also based in December 1974. It is an asymmetric complex cycle going up 12-14 years (top of cycle near the vertical **red dashed line**) followed by a sharp decline and repair phase within next 4-5 years.

• **54-55.8-Year Cycle (large blue cycle)** is 3X the 18.6-year cycle or twice the 27.75-year Cycle and both 18.6-year Cycle and 27.75-year Cycle will make their next low in 2030. However, the 54-55.8-Year Cycle, which made its low in 2002 together with the 27.75-year Cycle, is expected to make its next top in 2030. As the 54-55.8-Year Cycle is the 54-year famous Kondratieff Cycle related to commodities prices, on our chart that cycle displayed its previous major top in 1974.

Although its bottom is not anchored in 1974, like the other displayed cycles, the 54-55.8-Year Cycle is still harmonically related to the other cycles.

