

S&P500: Recall Long-Term Cycles on Quarterly Chart

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Longer-term cycles allow us to put in perspective more short term indicator as the January Barometer, which calls for a bullish year 2026. Of course they are many long-term cycles, and it is time to refresh our memory that the four-year cycle low is expected in 2026 and that a conjunction of longer-term cycles are due in 2030, including the 18-year cycle.

Let me update the quarterly chart of the S&P500 and recall 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 shows a peak in 1974 and a low in 2002, coinciding with the 27.75-year Cycle. This shift is more intuitive, as the Kondratieff Cycle is related to commodity prices rather than 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 on December 1974, it also highlights past coincident time windows for lows such as

2002, 2011, and the next one in 2030.

The bottom line for these cycles at the **beginning of 2026** remains a mixed message: No strong reversal yet, but the last 4 quarterly white candles show a slowing of upside momentum, which hints at a potential top a few months ahead of the four-year cycle low, due on average between August and October 2026. As the 9.25-year cycle is due to bottom in 2030, and the 18.6-year cycle is also due to bottom in 2030, it is likely that the 2030 cycle low will be lower than the 2026 low. However, a typical location for the 2026 cycle low should be near the April 2025 low at 5000 for the S&P 500.

Last Friday's sell-off in Silver and Gold reminds us of the quote of 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." Fortunately, the S&P500 belongs to the equity asset class, not to the commodities. My best guess is that 2026 will be a year for Traders, not for Buy and Hold Investors. *Wishing you prosperity for the remainder of 2026...*

S&P500 volume since 1982 at the bottom of chart. A big 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. For the Decennial Cycle, 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 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 also it is 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

S&P500: Quarterly Candles (1928-December 26, 2024)

with 40-Quarter Moving Average (orange solid line)



cycle going up 12-14 years (top of cycle near **vertical red dashed line**) followed by a sharp decline & 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. Though its bottom is not anchored in 1974, like the other displayed cycles, the 54-55.8-Year