



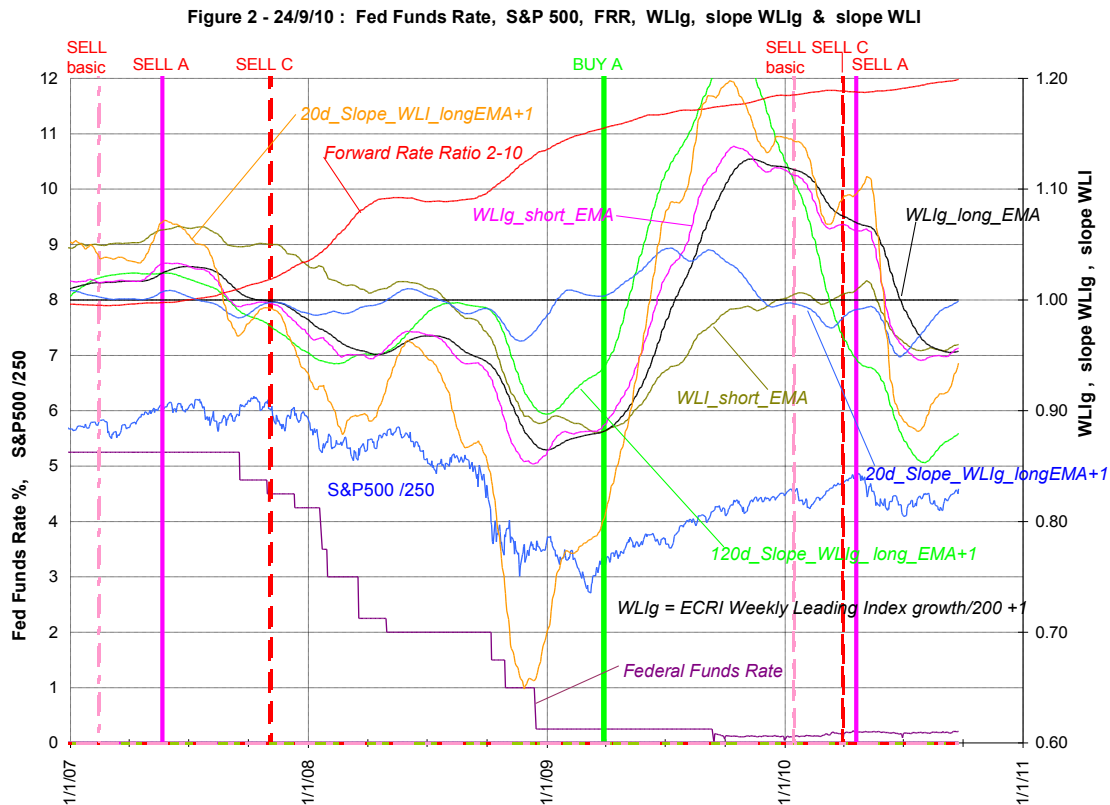
## Improving on Buy and Hold: The Updated Signals

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At the request of many readers, I have updated the model described in my article [Improving on Buy and Hold: Asset Allocation using Economic Indicators](#). The Economic Cycle Research Institute's (ECRI) U.S. Weekly Leading Index (WLI) and the index's annualized growth rate published on September 24, 2010, together with the most recent values of the other indicators I used, have been incorporated in the model.

Figure 2 shows the buy and sell signals obtained from the model for the time period 2007 to 2010 and some of the decision variables used to generate the signals. Currently the condition for a *type A buy signal*, that the 20-day slope of the [long EMA of  $WLIg + 1$ ] must be greater than 1.000 has not been met yet, although the value is now very close to 1.000 as can be seen from figure 2. All other conditions have been satisfied.





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