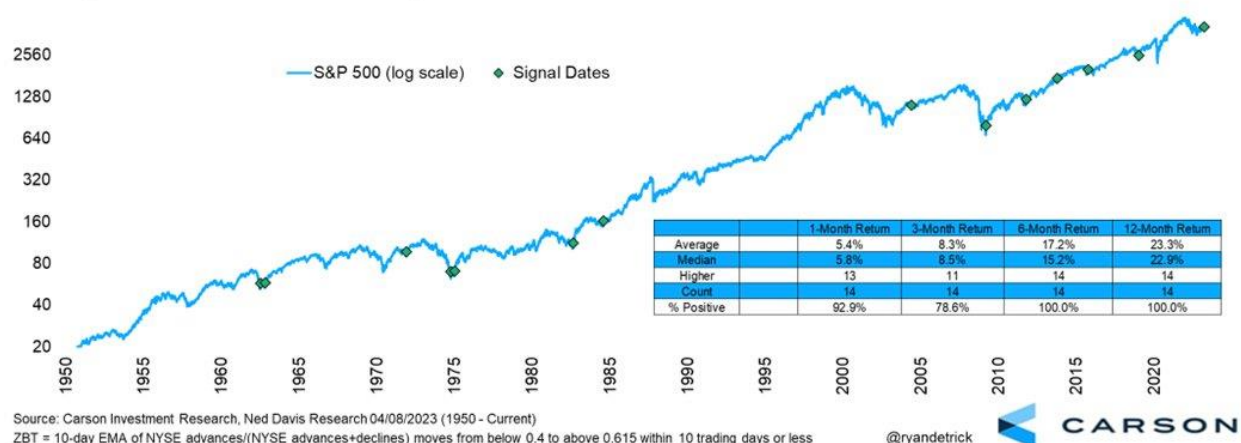


The Very Rare Zweig Breadth Thrust Just Triggered

ZBT Signals Have A Perfect Record For A Higher S&P 500 A Year Later

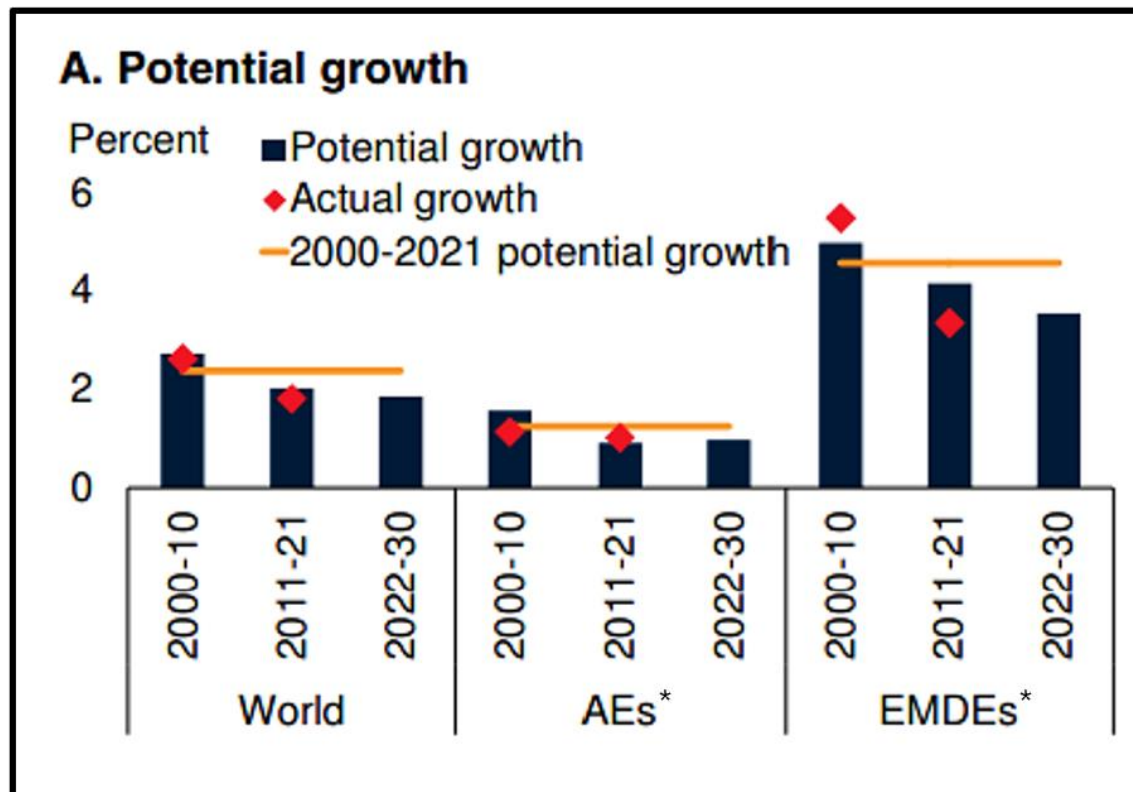


the concept is based on the principle that the sudden change of money in the investment markets elevates stocks and signals increased liquidity.

thrust is calculated by dividing a 10-day exponential moving average of the number of advancing issues, by the number of advancing plus declining issues.

A "Breadth Thrust" occurs when, during a 10-day period, the Breadth Thrust indicator rises from below 40% to above 61.5%. A "Thrust" indicates that the stock market has rapidly changed from an oversold condition to one of strength, but has not yet become overbought.

According to Dr. Zweig, there have only been fourteen Breadth Thrusts since 1945. The average gain following these fourteen Thrusts was 24.6% in an average time-frame of eleven months. Dr. Zweig also points out that most bull markets begin with a Breadth Thrust.



*AEs = Advanced Economies; EMDEs = Emerging Market and Developing Economies
Source: World Bank

Among the more affluent nations, the most important and inescapable reason for lower GDP growth is slower demographic growth. By 2026 or 2027, amazingly, the growth rate of the working-age population in the entire high-income and emerging-market world (per UN projections) will turn from slightly positive to slightly negative. There it is. The single most durable driver of economic growth since Adam Smith and the industrial revolution, more workers every year, will finally reverse direction.

But demography isn't the only shadow looming over the coming decade. Levels of investment are also in broad decline. This includes not just physical investment, but also human capital investment as measured by basic "human development indicators." (Example: U.S. life expectancy peaked in 2014 and has since declined in 5 of the following 7 years.) And then, compounded on top of a slow growth rate in employment and capital stock, is a further decline in total factor productivity (TFP). You may think of TFP as "innovation." It is the magical elixir that gives rise to more GDP growth than can be explained simply by adding more workers or adding more plant and equipment