

The Toy Barometer

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The Toy Barometer is based upon the S&P percent change from Nov19-Jan19 each year. Since 1950, when this Barometer has registered at least a +3% measurement, the S&P was positive one year later in 32 out of 33 cases for an average gain of 16.88%. The thirty three previous +3% TOY cases are listed below.

ONE YEAR (JAN19-JAN19) S&P PERFORMANCE AFTER A 3% TOY											
#	YEAR	TOY%	NEXTYR%	#	YEAR	TOY%	NEXTYR%	#	YEAR	TOY%	NEXTYR%
1	1950	4.26	26.62	12	1971	13.09	10.79	23	1989	7.67	18.21
2	1951	7.55	13.53	13	1972	13.39	14.34	24	1991	4.04	26.08
3	1952	6.69	7.30	14	1975	4.05	36.70	25	1992	10.39	4.37
4	1954	5.25	36.14	15	1976	9.27	5.62	26	1997	4.58	23.88
5	1955	4.51	25.06	16	1979	5.64	11.35	27	1999	8.53	16.39
6	1958	3.24	35.79	17	1980	6.56	21.34	28	2004	9.34	3.92
7	1959	4.66	2.86	18	1983	6.02	14.99	29	2009	5.40	33.63
8	1961	7.08	15.02	19	1985	5.05	21.66	30	2010	5.05	11.45
9	1963	8.96	17.46	20	1986	4.91	27.76	31	2011	6.85	2.54
10	1964	6.48	12.60	21	1987	13.33	-7.43	32	2012	8.13	13.05
11	1967	5.61	10.98	22	1988	3.86	15.08	33	2013	7.14	23.74
NEXT YEAR			#UP-DN= 32-1	AVG%CHG=16.88			MED%CHG=15.02				

In those 13 previous cases where the Toy Barometer was negative, the S&P was 4-9 in the following 12 months for a statistically significant average loss of 7.38%, some 16% below the +9.06% average annual performance over the test period. Eleven of those thirteen Bearish Toys were followed by a 10% correction in the following 12 months. Combining the Buy and Sell Signals, the Toy Barometer correctly forecast the 12 month direction of the S&P in 41 of 46 cases (89.1%). Including the 2015 Negative Toy Signal, Twelve of the Fourteen 'Sell in May and Go Away' Time Frames were negative, after a Negative Toy Signal

S&P One Year (Jan19-Jan19) Performance vs TOY Measure					
TOY Level	Interpretation	#Up-Dn	Pctup	Avg%chg	Med%chg
Greater than 3%	Bullish	32-1	96.97	16.88	15.02
0 - 3%	Neutral	12-7	63.15	6.11	7.13
Less than 0%	Bearish	4-9	30.77	-7.38	-7.93

The 2015 Toy Barometer signal was -1.46% and is not included in the above statistics since it is still in play until January 19, 2016 As of Dec 25, 2016, the 2016 Toy measurement is -1%.