

The Market Timer

WEBSITE: www.cornelius-spahn.com E-MAIL: the-market-timer@cornelius-spahn.com



Recommendations which matter and create value

The weekly updated recommendations are based on a sophisticated quantitative market timing model which relies on serial correlation and uses both convex and concave forecasting strategies. It is successfully tested out of sample for different markets.

The markets it covers are globally relevant and selected from a European respectively German perspective. The DAX, the Bund (Future) and the Euro/US-Dollar represent the stock market (earnings), the bond market (long term interests) and the currency. They stand for different factors of the economy.

The recommendations provide forecasts of movements of the markets as a whole and support no individual securities selection decisions. The recommendations are to “go long”, to “do nothing” or to “go short”. As a result, the returns are higher and volatilities are substantially lower than in the case of a pure buy and hold strategy (cf. page 2). The proposed basic strategy is a combination of these market decisions on a leveraged basis and gives a return of roughly 12% p.a. in the period 1991 to 2026 year to date. At the same time, the short fall risk of the basic strategy is substantially lower than the relevant risk of the DAX buy and hold alternative (cf. page 4 and 5).

The Dow Jones, the Nikkei 225 and the Euro/Yen are covered and combined in a strategy called “supplement” (cf. page 3 and 4). Finally all elements of the basic strategy and the supplement are added to the full strategy. The proposed strategy-combinations, however, are only by way of example. Their components can be combined and leveraged at discretion.

Global Outlook (November 30, 2025)

Our assessment remains essentially unchanged. The greatest threat to the financial markets will not be the economic cycle, but rather a looming credit crisis, fueled not only by public but also by private debt (e.g., declining payment morale, risky financial transactions in the AI sector, and last but not least, yen carry trades).

The week ahead at a glance

Referring to the DAX, to the Euro-based Dow Jones and to the Nikkei 225 on a Euro basis should be no positionig. It is recommended to do nothing with regard to both the Euro/US-Dollar and the Euro/Yen. A long-position should be taken in the Bund (Future).

Edited by Cornelius R. Spahn, Chemnitzer Straße 6, D-63110 Rodgau (Germany), Telephone +49-6106-2679670. Based on data and analysis which is regarded as reliable. However, no obligation for the correctness is undertaken.

The editor or related persons may take positions before these are recommended in this letter.

All rights reserved. No part of this letter may be reproduced in any form nor transmitted or translated in machine language without prior permission in writing from the editor.

The Market Timer

WEBSITE: www.cornelius-spahn.com E-MAIL: the-market-timer@cornelius-spahn.com

DAX *		Price			Performance			Recommended Positioning				
23.01.2026	17:45 CET	24.900,71			-361,9	-1,46%		go short				
30.01.2026	17:45 CET	24.538,81						do nothing				
Position	3	Short			Long			Buy and Hold				
		N	Return	Vola	N	Return	Vola	N	Return	Vola		
Performance per week												
1991-2026 year to date												
		202	0,15%	2,81%	637	0,25%	2,78%	1.830	0,16%	2,97%		
last 260 weeks												
		40	-0,01%	3,22%	79	0,17%	1,77%	260	0,21%	2,14%		
last 52 weeks												
		17	0,27%	2,63%	0	-	-	52	0,23%	2,23%		
Performance per annum (short and long combined)												
1991-2026 year to date (a year equals 52 weeks)												
					35	5/52	5,32%	13,61%	35	5/52	8,14%	21,39%
last 5 years (260 weeks)												
					5		2,68%	11,42%	5		11,14%	15,45%
one year back (52 weeks)												
					1		4,54%	10,66%	1		12,15%	16,12%

* No dividends on top

Bund* (Future)		Price			Performance			Recommended Positioning				
23.01.2026	22:00 CET	127,60			0,57	0,45%		do nothing				
30.01.2026	22:00 CET	128,17						go long				
Position		Short			Long			Buy and Hold				
		N	Return	Vola	N	Return	Vola	N	Return	Vola		
Performance per week												
1991-2026 year to date												
		266	0,08%	0,78%	522	0,07%	0,83%	1.830	0,02%	0,83%		
last 260 weeks												
		23	-0,10%	0,67%	96	0,05%	1,16%	260	-0,12%	1,08%		
last 52 weeks												
		1	-0,98%	-	21	0,04%	0,55%	52	-0,06%	0,77%		
Performance per annum (short and long combined)												
1991-2026 year to date (a year equals 52 weeks)												
					35	5/52	1,68%	3,84%	35	5/52	1,22%	5,97%
last 5 years (260 weeks)												
					5		0,55%	5,26%	5		-6,34%	7,81%
one year back (52 weeks)												
					1		-0,12%	2,66%	1		-3,34%	5,53%

*Long-term average of the total return of Bunds 3,1% p.a. and the risk-free interest rate 1,9% p.a.

Euro/US-Dollar*		Price			Performance			Recommended Positioning				
23.01.2026	00:00 CET	1,1754			0,0213	1,80%		do nothing				
30.01.2026	00:00 CET	1,1967						do nothing				
Position		Short			Long			Buy and Hold				
		N	Return	Vola	N	Return	Vola	N	Return	Vola		
Performance per week												
1991-2026 year to date												
		129	0,19%	1,17%	428	0,17%	1,37%	1.830	0,00%	1,32%		
last 260 weeks												
		35	0,26%	1,24%	102	0,01%	0,92%	260	0,00%	1,05%		
last 52 weeks												
		0	-	-	8	0,29%	0,97%	52	0,27%	1,09%		
Performance per annum (short and long combined)												
1991-2026 year to date (a year equals 52 weeks)												
					35	5/52	2,75%	5,30%	35	5/52	-0,22%	9,53%
last 5 years (260 weeks)												
					5		2,11%	5,31%	5		0,01%	7,58%
one year back (52 weeks)												
					1		2,33%	2,71%	1		14,06%	7,88%

"go long" means buying Euro and selling US-Dollar, "go short" means selling Euro and buying US-Dollar.

*Long-term US-Dollar currency gains (on average 0,3% p.a.) could point to Europe's relative weakness.

Edited by Cornelius R. Spahn, Chemnitzer Straße 6, D-63110 Rodgau (Germany), Telephone +49-6106-2679670.

Based on data and analysis which is regarded as reliable. However, no obligation for the correctness is undertaken.

The editor or related persons may take positions before these are recommended in this letter.

All rights reserved. No part of this letter may be reproduced in any form nor transmitted or translated in machine language without prior permission in writing from the editor.

The Market Timer

WEBSITE: www.cornelius-spahn.com E-MAIL: the-market-timer@cornelius-spahn.com

Dow Jones*		Price			Performance**			Recommended Positioning**				
23.01.2026	22:20 CET	49.098,71			-206,2	-2,22%		go short				
30.01.2026	22:20 CET	48.892,47			do nothing							
Position		Short			Long			Buy and Hold				
	N	Return	Vola	N	Return	Vola	N	Return	Vola			
Performance per week												
1991-2026 year to date		182	0,33%	2,92%	640	0,30%	2,51%	1.830	0,16%	2,53%		
last 260 weeks		30	-0,02%	2,55%	112	0,19%	1,86%	260	0,11%	1,89%		
last 52 weeks		11	0,63%	2,83%	1	-1,00%	-	52	-0,39%	1,81%		
Performance per annum (short and long combined)												
1991-2026 year to date (a year equals 52 weeks)		35			5/52	7,22%	12,64%	35		5/52	8,09%	18,22%
last 5 years (260 weeks)		5				4,20%	10,76%	5			5,96%	13,59%
one year back (52 weeks)		1				5,88%	9,30%	1			-20,02%	13,04%

*Long-term average for dividends on top 2,6% p.a.

** on a Euro basis. Based on USD it yield -0,42%

Nikkei 225*		Price			Performance**			Recommended Positioning**				
23.01.2026	07:30 CET	53.846,87			-524,0	0,65%		go short				
30.01.2026	07:30 CET	53.322,85			do nothing							
Position		Short			Long			Buy and Hold				
	N	Return	Vola	N	Return	Vola	N	Return	Vola			
Performance per week												
1991-2026 year to date		273	0,53%	3,31%	395	0,09%	2,61%	1.830	0,04%	2,89%		
last 260 weeks		41	-0,20%	2,30%	76	-0,13%	2,09%	260	0,06%	2,32%		
last 52 weeks		22	-0,99%	1,96%	0	-	-	52	0,17%	2,43%		
Performance per annum (short and long combined)												
1991-2026 year to date (a year equals 52 weeks)		35			5/52	5,11%	12,76%	35		5/52	2,08%	20,81%
last 5 years (260 weeks)		5				-3,65%	10,44%	5			3,37%	16,75%
one year back (52 weeks)		1				-21,85%	9,76%	1			8,85%	17,52%

*Long-term average for dividends on top 1,7% p.a.

** on a Euro basis. Based on Yen it yields -0,98%

Euro/Yen*		Price			Performance			Recommended Positioning				
23.01.2026	00:00 CET	186,275			-3,011	-1,63%		do nothing				
30.01.2026	00:00 CET	183,264			do nothing							
Position		Short			Long			Buy and Hold				
	N	Return	Vola	N	Return	Vola	N	Return	Vola			
Performance per week												
1991-2026 year to date		392	0,18%	1,55%	349	0,25%	1,28%	1.830	0,00%	1,55%		
last 260 weeks		77	-0,16%	1,16%	49	0,17%	1,16%	260	0,14%	1,20%		
last 52 weeks		23	-0,14%	1,19%	0	-	-	52	0,26%	0,97%		
Performance per annum (short and long combined)												
1991-2026 year to date (a year equals 52 weeks)		35			5/52	4,56%	10,30%	35		5/52	-0,01%	11,20%
last 5 years (260 weeks)		5				-0,83%	8,41%	5			7,46%	8,62%
one year back (52 weeks)		1				-3,33%	5,66%	1			13,45%	6,96%

"go long" means buying Euro and selling Yen, "go short" means selling Euro and buying Yen.

*Long-term Yen currency gains (i.e. negative Euro/Yen Performance) could point to Europe's relative weakness.

Edited by Cornelius R. Spahn, Chemnitzer Straße 6, D-63110 Rodgau (Germany), Telephone +49-6106-2679670.

Based on data and analysis which is regarded as reliable. However, no obligation for the correctness is undertaken.

The editor or related persons may take positions before these are recommended in this letter.

All rights reserved. No part of this letter may be reproduced in any form nor transmitted or translated in machine language without prior permission in writing from the editor.

The Market Timer

WEBSITE: www.cornelius-spahn.com E-MAIL: the-market-timer@cornelius-spahn.com

Basic Strategy	DAX		Bund (Future)		Euro/US-Dollar			
	short	long	short	long	short	long		
Maximum Position in percent of allocated equity	125,00%	125,00%	500,00%	500,00%	250,00%	250,00%		
Last week performance in percent of allocated equity						1,83%		
Strategy	Basic Strategy			Buy and Hold DAX				
	N	Return	Vola	N	Return	Vola		
Performance per week								
1991-2026 year to date	1.395	0,31%	3,33%	1.830	0,16%	2,97%		
last 260 weeks	211	0,04%	3,21%	260	0,21%	2,14%		
last 52 weeks	30	-0,08%	2,44%	52	0,23%	2,23%		
Performance per annum								
1991-2026 year to date (a year equals 52 weeks)	35	5/52	12,18%	21,01%	35	5/52	8,14%	21,39%
last 5 years (260 weeks)	5	1,56%	20,84%	5	11,14%	15,45%		
one year back (52 weeks)	1	-2,49%	13,29%	1	12,15%	16,12%		

Supplement	Dow Jones		Nikkei 225		Euro/Yen			
	short	long	short	long	short	long		
Maximum Position in percent of allocated equity	125,00%	125,00%	125,00%	125,00%	250,00%	250,00%		
Last week performance in percent of allocated equity						0,99%		
Strategy	Supplement			Buy and Hold Dow & Nikkei				
	N	Return	Vola	N	Return	Vola		
Performance per week								
1991-2026 year to date	1.329	0,40%	3,02%	1.830	0,10%	2,32%		
last 260 weeks	190	-0,02%	2,12%	260	0,09%	1,76%		
last 52 weeks	29	-0,35%	2,33%	52	-0,11%	1,83%		
Performance per annum								
1991-2026 year to date (a year equals 52 weeks)	35	5/52	15,10%	18,60%	35	5/52	5,09%	16,72%
last 5 years (260 weeks)	5	-0,67%	13,07%	5	4,67%	12,71%		
one year back (52 weeks)	1	-10,09%	12,52%	1	-5,58%	13,18%		

Full Strategy

All assets mentioned above with their declared maximum positions

Last week performance in percent of allocated equity						1,25%		
Strategy	Full Strategy			Buy and Hold 3 stock markets				
	N	Return	Vola	N	Return	Vola		
Performance per week								
1991-2026 year to date	1.649	0,36%	2,62%	1.830	0,12%	2,30%		
last 260 weeks	212	0,08%	2,11%	260	0,13%	1,66%		
last 52 weeks	31	-0,31%	2,14%	52	0,01%	1,67%		
Performance per annum								
1991-2026 year to date (a year equals 52 weeks)	35	5/52	16,94%	17,97%	35	5/52	6,10%	16,59%
last 5 years (260 weeks)	5	3,24%	13,73%	5	6,82%	12,00%		
one year back (52 weeks)	1	-9,69%	11,89%	1	0,33%	12,05%		

Edited by Cornelius R. Spahn, Chemnitzer Straße 6, D-63110 Rodgau (Germany), Telephone +49-6106-2679670.

Based on data and analysis which is regarded as reliable. However, no obligation for the correctness is undertaken.

The editor or related persons may take positions before these are recommended in this letter.

All rights reserved. No part of this letter may be reproduced in any form nor transmitted or translated in machine language without prior permission in writing from the editor.

The Market Timer

WEBSITE: www.cornelius-spahn.com E-MAIL: the-market-timer@cornelius-spahn.com

Notes:

CET is the short code for Central European Time. It is indicated from 00:00 to 23:59. Leap years are taken into account in the overall period by the regular introduction of an additional week (i.e. 53 instead of 52 weeks per year).

N is the number of weeks respectively years, over which a position is held. A year has 52 weekly data points. Finally, the achieved performance depends on the position taken. It could differ from the original one and result in zero ("do nothing") or change the sign ("go short"). Return is calculated as natural logarithm of price this week/price last week. It is exponential growth and equals compound interest on a continuous basis. If these rates are transformed to simply calculated, they become higher in case of substantial profits or lower negative amounts (i.e. also higher values) in case of substantial losses. The time series of the returns are represented by their means. Vola equals the standard deviation of the returns.

Recommendations are always based on performance in Euro.

With the exception of the Bund (Future) all assets are priced at spot rates not taking into account funding and transaction costs. However, even after consideration of costs, the proposed strategies offer significant value added in comparison with their buy and hold alternatives.

The proposed strategies are also useful but to a lesser extent, if the recommendations "go short" are ignored and only the recommendations "go long" are followed.

Page 4 provides examples of possible combinations of strategies. The advantage of these combinations is that they offer both additional return opportunities over certain periods and risk reduction through diversification.

DAX, Bund (Future) and Euro/US-Dollar are different sources of economic influence. They are combined to the basic strategy. The supplement contains Dow Jones, Nikkei 225 and Euro/Yen as alternative markets. The full strategy is a combination of all of these elements. The maximum positions are leveraged and mentioned on page 4. If more than one position is recommended at the same time, the individual maximum positions are multiplied by a factor depending on the number of involved positions, e.g. two positions are multiplied by 1/2, three positions are multiplied by 1/3, etc. Finally the positions with their individual performances are added to the total performance of the combined strategy.

The performance of the strategy-combinations is compared with that of their buy and hold alternatives, whereas the buy and hold alternatives are made up of the involved stock markets at equal parts. The comparison shows that the returns are substantially higher at a nearly similar level of volatility. However, even the risk has to be regarded as lower, when the likelihood of a loss more than 20% per annum is taken as the relevant measure of risk. The table below shows that the likelihood of a loss is substantially lower for the combined strategies compared to the buy and hold alternatives.

Loss more than 20% per annum (52 weeks), 1991-2026 year to date

	Strategy			Buy and Hold		
	Basic	Supple.	Full	DAX	2 St. M.	3 St. M.
Likelihood	6,56%	6,78%	1,58%	9,84%	10,22%	8,47%
Expected Value	-35,24%	-26,80%	-24,65%	-37,17%	-28,86%	-32,86%
Maximum Loss	-57,64%	-42,55%	-30,81%	-80,98%	-52,47%	-61,32%
Maximum Loss (simple instead of exponential growth)	-43,81%	-34,65%	-26,51%	-55,51%	-40,82%	-45,84%

Edited by Cornelius R. Spahn, Chemnitzer Straße 6, D-63110 Rodgau (Germany), Telephone +49-6106-2679670.

Based on data and analysis which is regarded as reliable. However, no obligation for the correctness is undertaken.

The editor or related persons may take positions before these are recommended in this letter.

All rights reserved. No part of this letter may be reproduced in any form nor transmitted or translated in machine language without prior permission in writing from the editor.