

# *The Market Timer*

WEBSITE: [www.cornelius-spahn.com](http://www.cornelius-spahn.com) E-MAIL: [the-market-timer@cornelius-spahn.com](mailto: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 13% p.a. in the period 1991 to 2025 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 (June 6, 2025)**

Around the world, politicians' willingness to forego decision-making leeway in favor of reputation and financial standing is decreasing sharply. We assume that the key challenge for the financial markets in the second half of 2025 will not be the economic cycle, but rather an emerging credit crisis. Will it be possible to defuse this? Can the expected misery be transformed into an opportunity through positive effects of AI-driven technical progress? Strong doubts!

## **The week ahead at a glance**

Referring to the Euro-based Dow Jones a long-position should be taken. With respect to the DAX and to the Nikkei 225 on a Euro basis should be no positioning.

It is recommended to do nothing with regard to both the Euro/US-Dollar and the Euro/Yen.

No 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](http://www.cornelius-spahn.com) E-MAIL: [the-market-timer@cornelius-spahn.com](mailto:the-market-timer@cornelius-spahn.com)

DAX *		Price			Performance			Recommended Positioning				
24.10.2025	17:45 CET	24.239,89			-281,6	-1,17%		do nothing				
31.10.2025	17:45 CET	23.958,30					do nothing					
Position	3	Short			Long			Buy and Hold				
	N	Return	Vola		N	Return	Vola	N	Return	Vola		
Performance per week												
1991-2025 year to date	198	0,14%	2,83%		637	0,25%	2,78%	1.817	0,16%	2,97%		
last 260 weeks	36	-0,07%	3,38%		86	0,20%	1,83%	260	0,25%	2,18%		
last 52 weeks	13	0,19%	2,97%		0	-	-	52	0,42%	2,23%		
Performance per annum					(short and long combined)							
1991-2025 year to date (a year equals 52 weeks)					34	11/13	5,30%	13,66%	34	11/13	8,13%	21,43%
last 5 years (260 weeks)						5	2,88%	11,74%		5	13,04%	15,69%
one year back (52 weeks)						1	2,44%	10,42%		1	21,85%	16,08%

\* No dividends on top

Bund* (Future)		Price		Performance			Recommended Positioning				
24.10.2025	22:00 CET	129,46		-0,07	-0,05%		do nothing				
31.10.2025	22:00 CET	129,39					do nothing				
Position		Short		Long			Buy and Hold				
	N	Return	Vola	N	Return	Vola	N	Return	Vola		
Performance per week											
1991-2025 year to date	266	0,08%	0,78%	521	0,08%	0,83%	1.817	0,02%	0,83%		
last 260 weeks	23	-0,10%	0,67%	102	0,05%	1,12%	260	-0,12%	1,09%		
last 52 weeks	1	-0,98%	-	25	0,08%	0,58%	52	-0,03%	0,84%		
Performance per annum				(short and long combined)							
1991-2025 year to date (a year equals 52 weeks)				34	11/13	1,72%	3,85%	34	11/13	1,25%	5,99%
last 5 years (260 weeks)				5		0,52%	5,26%	5		-6,17%	7,86%
one year back (52 weeks)				1		0,95%	3,04%	1		-1,72%	6,05%

\*Long-term average of the total return of Bunds 3,0% p.a. and the risk-free interest rate 1,7% p.a.

Euro/US-Dollar*		Price		Performance			Recommended Positioning				
24.10.2025	00:00 CET	1,1618		-0,0047	-0,41%		do nothing				
31.10.2025	00:00 CET	1,1571					do nothing				
Position		Short			Long			Buy and Hold			
	N	Return	Vola	N	Return	Vola	N	Return	Vola		
Performance per week											
1991-2025 year to date	129	0,19%	1,17%	428	0,17%	1,37%	1.817	-0,01%	1,32%		
last 260 weeks	35	0,26%	1,24%	110	0,05%	0,92%	260	-0,01%	1,05%		
last 52 weeks	0	-	-	14	-0,04%	1,09%	52	0,12%	1,17%		
Performance per annum				(short and long combined)							
1991-2025 year to date (a year equals 52 weeks)				34	11/13	2,77%	5,32%	34	11/13	-0,31%	9,55%
last 5 years (260 weeks)				5		2,90%	5,43%	5		-0,43%	7,59%
one year back (52 weeks)				1		-0,61%	3,96%	1		6,12%	8,43%

"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](http://www.cornelius-spahn.com) E-MAIL: [the-market-timer@cornelius-spahn.com](mailto:the-market-timer@cornelius-spahn.com)

Dow Jones*		Price			Performance**			Recommended Positioning**		
24.10.2025	22:20 CET	47.207,12			355,8	1,16%		do nothing		
31.10.2025	21:20 CET	47.562,87						go long		
Position		Short			Long			Buy and Hold		
	N	Return	Vola	N	Return	Vola	N	Return	Vola	
Performance per week										
1991-2025 year to date	178	0,32%	2,94%	639	0,31%	2,52%	1.817	0,16%	2,54%	
last 260 weeks	26	-0,17%	2,68%	112	0,25%	1,92%	260	0,14%	1,95%	
last 52 weeks	7	0,45%	3,54%	0	-	-	52	-0,21%	2,13%	
Performance per annum (short and long combined)										
1991-2025 year to date (a year equals 52 weeks)				34	11/13	7,20%	12,68%	34	11/13	8,11%
last 5 years (260 weeks)				5		4,68%	10,91%	5		7,41%
one year back (52 weeks)				1		3,15%	8,82%	1		-10,78%
*Long-term average for dividends on top 2,6% p.a.										** on a Euro basis. Based on USD it yield 0,75%

Nikkei 225*		Price			Performance**			Recommended Positioning**		
24.10.2025	08:30 CET	49.299,65			3.111,7	5,66%		do nothing		
31.10.2025	08:30 CET	52.411,34						do nothing		
Position		Short			Long			Buy and Hold		
	N	Return	Vola	N	Return	Vola	N	Return	Vola	
Performance per week										
1991-2025 year to date	269	0,55%	3,32%	395	0,09%	2,61%	1.817	0,04%	2,88%	
last 260 weeks	37	-0,14%	2,36%	85	-0,03%	2,12%	260	0,09%	2,27%	
last 52 weeks	18	-1,03%	2,04%	0	-	-	52	0,16%	2,17%	
Performance per annum (short and long combined)										
1991-2025 year to date (a year equals 52 weeks)				34	11/13	5,23%	12,79%	34	11/13	1,88%
last 5 years (260 weeks)				5		-1,56%	10,77%	5		4,61%
one year back (52 weeks)				1		-18,62%	9,22%	1		8,34%
*Long-term average for dividends on top 1,7% p.a.										** on a Euro basis. Based on Yen it yields 6,12%

Euro/Yen*		Price			Performance			Recommended Positioning		
24.10.2025	00:00 CET	177,284			0,818	0,46%		do nothing		
31.10.2025	00:00 CET	178,102						do nothing		
Position		Short			Long			Buy and Hold		
	N	Return	Vola	N	Return	Vola	N	Return	Vola	
Performance per week										
1991-2025 year to date	392	0,18%	1,55%	349	0,25%	1,28%	1.817	0,00%	1,56%	
last 260 weeks	77	-0,16%	1,16%	62	0,18%	1,07%	260	0,14%	1,19%	
last 52 weeks	32	0,05%	1,21%	0	-	-	52	0,14%	1,09%	
Performance per annum (short and long combined)										
1991-2025 year to date (a year equals 52 weeks)				34	11/13	4,59%	10,30%	34	11/13	-0,09%
last 5 years (260 weeks)				5		-0,24%	8,17%	5		7,48%
one year back (52 weeks)				1		1,51%	6,81%	1		7,39%

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

\*Long-term Yen currency gains (on average almost 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](http://www.cornelius-spahn.com) E-MAIL: [the-market-timer@cornelius-spahn.com](mailto:the-market-timer@cornelius-spahn.com)

Basic Strategy	DAX		Bund (Future)		Euro/US-Dollar	
Maximum Position	short	long	short	long	short	long
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						0,00%
Strategy	Basic Strategy			Buy and Hold DAX		
	N	Return	Vola	N	Return	Vola
Performance per week						
1991-2025 year to date	1.391	0,31%	3,34%	1.817	0,16%	2,97%
last 260 weeks	220	0,07%	3,16%	260	0,25%	2,18%
last 52 weeks	35	-0,34%	2,73%	52	0,42%	2,23%
Performance per annum						
1991-2025 year to date (a year equals 52 weeks)	34 11/13	12,24%	21,08%	34 11/13	8,13%	21,43%
last 5 years (260 weeks)	5	3,09%	20,97%	5	13,04%	15,69%
one year back (52 weeks)	1	-12,00%	16,09%	1	21,85%	16,08%

Supplement	Dow Jones		Nikkei 225		Euro/Yen	
Maximum Position	short	long	short	long	short	long
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						0,00%
Strategy	Supplement			Buy and Hold Dow & Nikkei		
	N	Return	Vola	N	Return	Vola
Performance per week						
1991-2025 year to date	1.324	0,40%	3,02%	1.817	0,10%	2,32%
last 260 weeks	198	0,05%	2,13%	260	0,12%	1,79%
last 52 weeks	33	0,08%	2,68%	52	-0,02%	1,90%
Performance per annum						
1991-2025 year to date (a year equals 52 weeks)	34 11/13	15,24%	18,66%	34 11/13	5,00%	16,75%
last 5 years (260 weeks)	5	2,12%	13,41%	5	6,01%	12,92%
one year back (52 weeks)	1	2,74%	15,31%	1	-1,22%	13,73%

## Full Strategy

All assets mentioned above with their declared maximum positions						
Last week performance in percent of allocated equity						0,00%
Strategy	Full Strategy			Buy and Hold 3 stock markets		
	N	Return	Vola	N	Return	Vola
Performance per week						
1991-2025 year to date	1.644	0,36%	2,63%	1.817	0,12%	2,31%
last 260 weeks	220	0,13%	2,10%	260	0,16%	1,70%
last 52 weeks	35	-0,21%	2,34%	52	0,12%	1,72%
Performance per annum						
1991-2025 year to date (a year equals 52 weeks)	34 11/13	17,10%	18,02%	34 11/13	6,04%	16,63%
last 5 years (260 weeks)	5	5,54%	13,91%	5	8,35%	12,29%
one year back (52 weeks)	1	-7,36%	13,82%	1	6,47%	12,41%

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](http://www.cornelius-spahn.com) E-MAIL: [the-market-timer@cornelius-spahn.com](mailto: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.

<b>Loss more than 20% per annum (52 weeks), 1991-2025 year to date</b>						
	Strategy			Buy and Hold		
	Basic	Supple.	Full	DAX	2 St. M.	3 St. M.
Likelihood	6,60%	6,82%	1,60%	9,91%	10,29%	8,53%
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.