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TSP Smart Investor

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A Professional TSP Allocation Timing Service

Written by
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Timing

The end of the strong season for the stock market is approaching. The Bull market is getting long in tooth and the valuations remain high relative to historical norms. While pinpointing a top is not the objective of the TSP Advantage Strategy, minimizing risk of major losses is and this is achieved by simply riding out the seasonally weak season in the safe returns of the G Fund or F Fund. I doubt many investment newsletters begin with the initial recommendation to enter 100% cash holdings, but this is basically where *TSP Smart Investor* will begin and I am very comfortable with it.

Transition to the TSP Advantage Strategy by establishing 100% allocation the G Fund after the weak season window opens on 2 May. I will post the date on the Seasonal Strategist blog prior to the allocation adjustment date. Make the adjustment after the close on the trading day prior to the adjustment date, but prior to 1400 ET on the adjustment date to affect the change.

We will hold our G Fund allocation until the Fall when the seasonally weak season ends. We will utilize the optimum timing strategy for the C Fund and the S Fund adjust allocations.

Non-TSP retirement accounts should allocate to cash or G Fund equivalent assets.

Valuations

John Hussman, Ph.D., owner of Hussman Funds does excellent analysis of market valuations in his weekly commentaries at his website (http://www.hussmanfunds.com) and I highly recommend putting him on your short list of investment readings if you are into market analysis. He has looked back over 100 years in analyzing conditions that proceed market declines and places the current market as having met the most overvalued, overbought, and over bullish in a rising yield condition. These set of conditions do not predict the exact date when the next bear market will begin, but such conditions always proceed a significant decline.

The market has been propped up by Quantitative Easing (QE) by the Fed and recently by Japan's bold new strategy of QE that will propel their countries debt levels to unimaginable levels. Each new bout of QE has had diminishing returns on real economic output, and has flowed primarily to risk assets. While Dr. Hussman's criteria hit an extreme level in Feb 2013, it is highly probable the bear market will begin this weak season. It is time to step aside and reduce risk during the weak season.