

A 10-MINUTE GUIDE

The market cycle in four layers

*How to know which phase of the market you are in – without
guessing.*

FGA RESEARCH & ADVISORY

Est. 2006 · Madrid · Information, not advice

We don't predict. We classify.

01 • THE IDEA

The right question is not "what do I buy?"

Almost everyone invests by looking at the next step: which stock, which moment, which headline. But the next step depends on the terrain. And the terrain has a name: the market regime.

DEFINITION

A market regime is the name of the cycle phase: it defines how much risk the market tolerates, not what to buy.

Think of the sea. A good swimmer doesn't ask "should I go in?". They ask "how is the sea today?". In calm water a bad move is forgiven; in a rip current the same move drowns you. They don't guess the next wave: they classify the state of the sea. That is a regime.

02 • THE METHOD

We don't guess. We classify, in four layers.

No single layer decides. The regime only changes when two or more turn at once.

01

The Warning

PROTECTS

Separates noise —corrections that reverse— from the start of a structural bear market, watching macro, corporate and market conditions.

→ *healthy or damaged inside?*

02

The Crowd

TIMES

Sentiment read contrarian: bottoms are made on fear, tops on euphoria.

→ *euphoria or fear?*

03

Money • the Fed

TRIGGERS

The price of money is the lid that pushes or brakes; its turn has marked the great bottoms.

→ *tailwind or headwind?*

04

FGA Macro

CONFIRMS

Leading versus coincident; the turn forms before it is visible.

→ *where in the cycle?*

03 · WHY IT WORKS

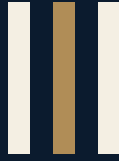
Predict vs. classify

Predicting means betting on a specific future and waiting to see if you're right. Classifying means diagnosing the present with fixed rules and adjusting behaviour to that diagnosis. The first makes you dependent on luck; the second, on discipline.

A regime doesn't tell you what happens tomorrow. It tells you how much it will hurt if you're wrong today — and, for protecting capital, that is worth more.

IN 30 SECONDS

- The regime is the state of the sea, not the next wave.
- It is classified with rules (four layers), not guessed.
- The same event means opposite things depending on the regime.



Every week we classify
the regime. Dated.
Before the outcome.

FGA Macro — the four-layer cycle reading. Free, in Spanish and English.

macro.fgaresearch.com

The full method, with the canonical definitions:

fgaresearch.com

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