# Economic Confidence Model

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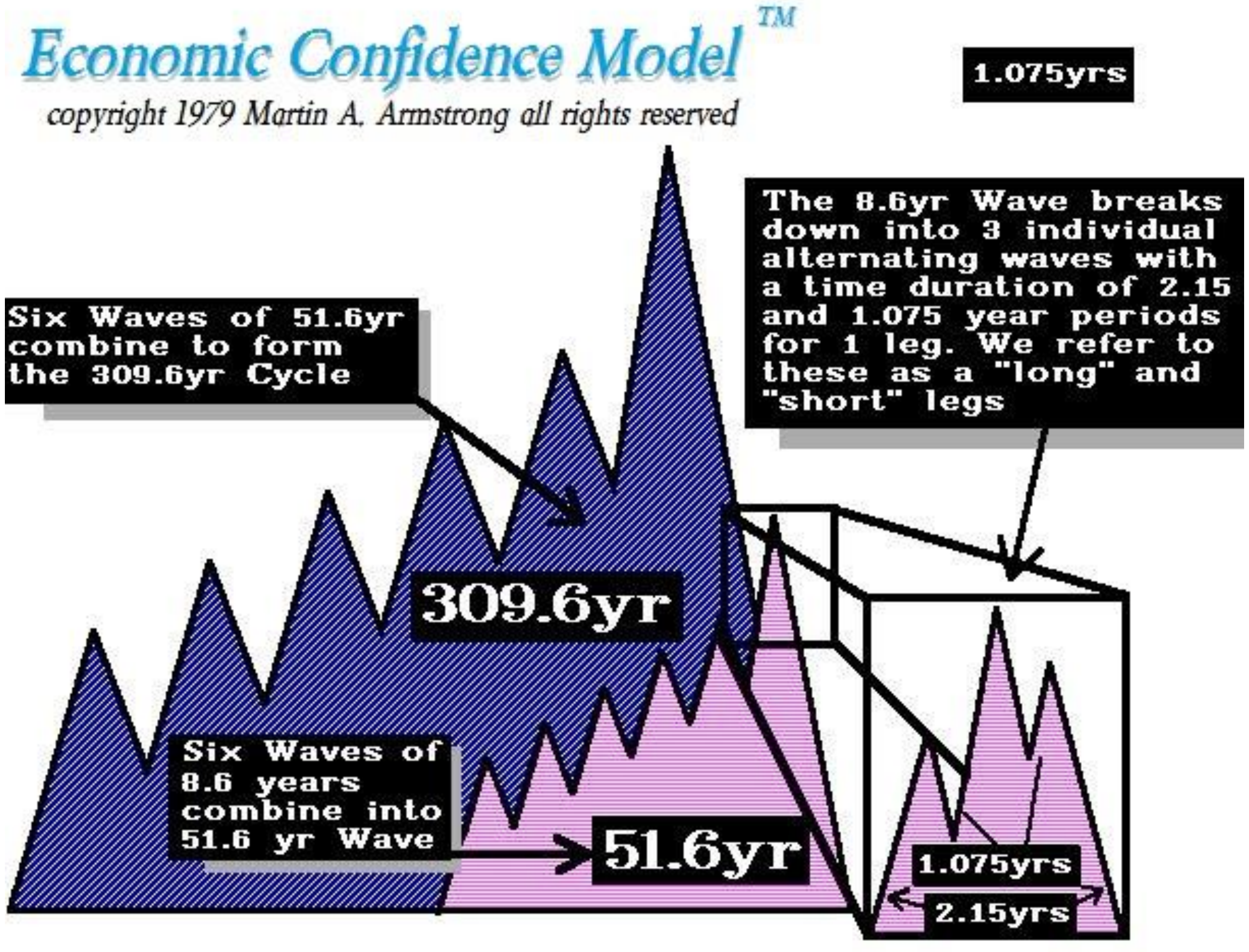
***The ECM , which is effectively the global business cycle*** and sometimes referred to as the Pi Cycle, is a computer model that ***analyzes the global economy and business cycle by tracking capital flows and capital concentration***, providing a macro long-term perspective of when shifts in confidence are possible that could lead to notable economic events as demonstrated over the course of history.

***The model consists of cycle waves that vary in length, from shorter to longer, and build up over time; Volatility runs in units of 6. for example, 8.6 to 51.6 to 309.6 years.***



# Understanding the ECM

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***Capital concentrates into a single region and then into a single market. There is a cycle to this as well from within a region such as the hot market will be real estate, bonds, stocks, commodities, and then back to real estate. What makes a bubble is this concentration of capital. However, every market retains its own cycle and it is when that cycle lines up with the ECM that we get the big booms and busts.***

***The key to comprehending the Global Economy lies in the realization that we are not alone. Everything is connected in an intricate dynamic nonlinear network where the slightest change in one region can set in motion a ripple effect of dramatic proportions around the world. Understanding this dynamic nonlinear global network is the first step in restructuring government and our idea of managing our political-social-economy.***

***The primary mistake many make with the Economic Confidence Model (ECM) is assuming it should be a perfect model for the stock market, gold, or some other market. It is a global model and does not track any individual market. It is tracking the phenomenon of international capital flows. There is a shift back and forth between PUBLIC and PRIVATE investment trends.*** For example, the wave that peaked in 1929 was a PRIVATE wave where people had great confidence in the private sector. When the crash came, we turned toward the government creating a more conservative wave of PUBLIC investment where bonds do better than stocks.

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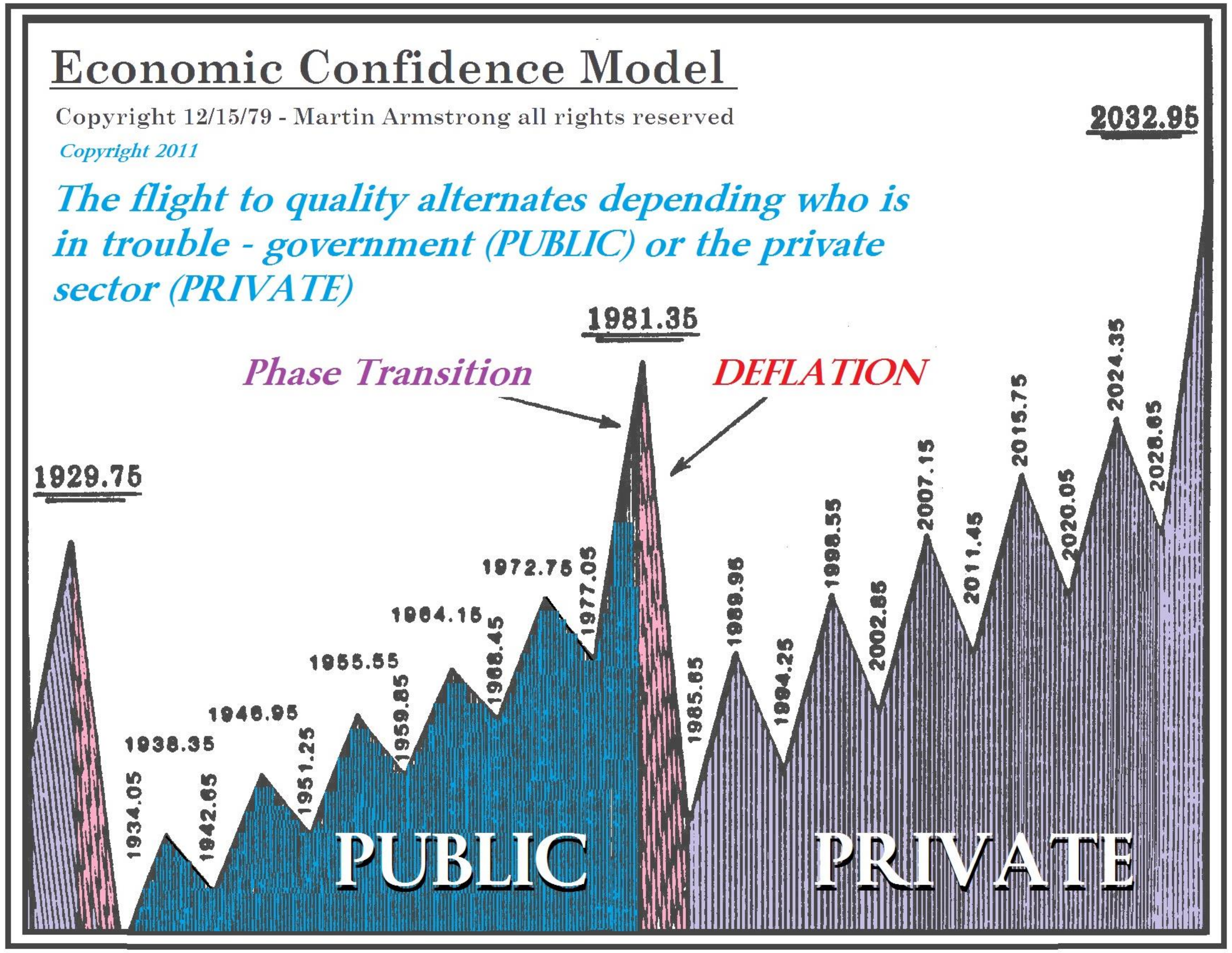
- ***In this example, capital moved back and forth from public (government bonds) to private sector (stocks) every sixth wave (51.6 years).***

- Confidence peaks by the end of the last wave in a 51.6-year period, followed by a pivot downward in confidence by the end of the first wave in the next 51.6-year period.



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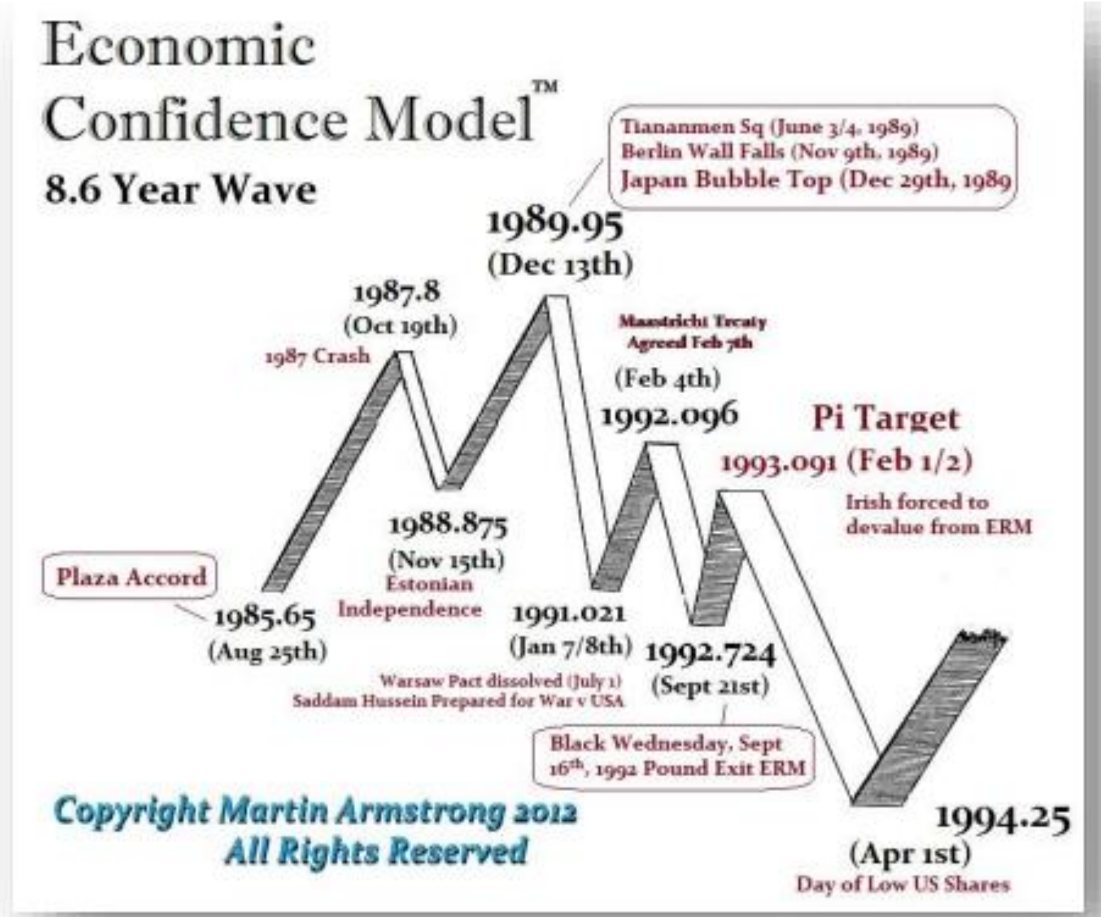
- The dates in the model that reflect possible shifts are referred to as ECM turning points.
- ***ECM peaks and troughs do not reflect market highs or lows but Turning points in Time***
- ***The peaks and troughs reflect dates when cycle waves come to a head, which can coincide with notable events based on shifts in confidence***.




Want to learn more? Take advantage of our exclusive WOFC 50% discount and join our *Understanding ECM Webinar* with model expert, Erwin Pletsch. To learn more or register today CLICK HERE.