Use Excel files Stocks&PersonalConsump.xls for this homework.

1. Using data in Stocks&PersonalConsump.xls
   A. Verify FIGURE 10.10 [1 points]
      - How? You need to get the data for hourly wage, inflation, and personal consumption. The hourly wage has to be made real first. You do this by dividing the hourly wage by inflation index. Then this new series has to be plotted against the personal consumption cycle. Note there are no graphs in the Stocks&PersonalConsump.xls for this, just the data.
   B. Construct buy/sell signals based on the link between stock market and real SP500 earnings. [2 points]
   C. Verify if your signals work, show how much extra you can make compare to a buy-and-hold strategy. [2 points]

2. Using data in Stocks&PersonalConsump.xls,
   A. Find out the percentage year-on-year return on each of the 17 industries. [1 points]
   B. Use stock market and personal consumption to find out Sam Stovall type states of natures. [2 points]
   C. Verify if average return of each of these industries is different in these states of natures. [2 points]