MOOSECALLS

Global Financial News & Analysis
AUG.14.2026 through AUG.23.2026

EXECUTIVE SUMMARY: AUG.14.2026

This weekly global Investment newsletter tracks investment strategy performance, including buy-and-hold and market timing using ETFs as proxies for indices.

GLOBAL MARKETS: WEEK'S ACTION—Risk-ON (3)

THIS WEEK: 3rd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds DOWN and Gold UP

GLOBAL RISK ON CONTINUES

Cooling July consumer and producer price inflation and a contraction in July retail sales reinforced recent less hawkish messaging from the Fed but also caused investors to pause and reflect. Meanwhile, as the 60-day "deadline" for a US-Iran nuclear agreement approached (as yet unresolved) oil (+7.3%) rebounded above $80/bbl, pushing commodity prices (+3.8%) higher this week. US Long Bonds retreated (-1.5%) in the face of that threat. Cash yield slipped to 3.70% and the ten-year rose to 4.70% steepening the yield curve to 100 bps. Meanwhile, Gold (+0.8%) continued its August rally on the flat Dollar (+0.1%). US equities also advanced with US small caps (+1.2%) leading large caps (+0.4%) higher. Offshore equities were mixed. Latin America (-2.9%) fell again, while Europe (-0.2%) paused. Japan (+1.4%) and Asia Pacific (+2.0%) were solid. There were no changes to the models this week.

GLOBAL OUTLOOK POSITIVE (3 of 4). (unchanged this week). War has the Baltic Dry Index, copper prices and bond yields higher over the last 13 weeks, all positives. Only oil is down for the quarter.

INFLATION: July CPI and PPI cooling but still above target. WTI oil prices rose 7.3% this week and are now back above $80 per barrel, still down this quarter. Global inflation per the Fed Check (87) still warrants tightening, but it has improved assisted by rate hikes in Europe and Japan.

US ECONOMIC DATA: Retail sales contracted in July. Existing home sales weakened. August sentiment positive but slipping. Small business optimism holding up. Recession chances a year out shrinking and minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q3) down as of 8/12: 4.3%.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.75 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting is in late September (9/29). Iran war adds to inflation fears. Fed Check (87) is improving but remains hawkish since 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) After the weak jobs report, odds are now better than 50-50 (56%) that rates will be unchanged at the next Fed meeting in September. By December, however, a Fed rate HIKE (77%) is the most likely outcome.

INVESTMENT STRATEGIES: There were no changes to the models this week.

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications are positive for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index is at 2844 this week, down from 3089 last week and up 3.7% after 13 weeks, a** positive signal. (After opening 2026 at 1882, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price is at $82.40 this week, down 22% in the latest quarter, a negative** economic signal. (Oil remains below its 2022 peak ($130), but well above the 2020 Covid low ($10).)

Our proxy for global construction, **copper is 6.71 this week, and up 7% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.70% this week, up 10 basis points over the past 13 weeks, and a positive** bet on the largest world economy.

GLOBAL RANKING: US Small-caps Lead Globally

Index Moose ETF Rankings through AUG.23.2026

THIS WEEK: 3rd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds DOWN and Gold UP

The best regional alternative over the last six months this week is AAXJ, but its technical and PMO scores are lacking. Japan and incumbent #1 US small-caps are tied for second with Japan having a slightly higher positive and improving PMO and IWM having a slightly higher very bullish technical reading. Japan is also benefitting from a recent joint foreign exchange intervention which may be temporary once the US and Japan smooth out "disorderly Yen movements".

** Working off a stop-loss*. Assets are ranked by CI, the *"confidence index". It combines the relative strength (rank), and technical strength (TS). The Trend is based on the TS reading. **Working off a buy-stop.*

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Asia Pacific ex-Japan (AAXJ)	72%	bullish	56.7	0.14	positive	improving
2	78%	Japan (EWJ)	107%	very bullish	65.3	**1.51**	positive	improving
3	78%	US Small-caps (IWM)	108%	very bullish	63.4	1.10	positive	improving
4	72%	Latin America (ILF)	41%	neutral	40.0	-0.08	negative	deteriorating
5	48%	Europe (IEV)	107%	very bullish	64.9	1.39	positive	improving
6	44%	US Large-caps (SPY)	108%	very bullish	65.8	1.24	positive	improving
7	11%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
8	-31%	Gold Bullion (GLD)	34%	bearish	63.2	0.89	positive	improving
9	-38%	Very Long US Bonds (EDV)	1%	very bearish	37.5	-1.34	negative	deteriorating
		US Dollar	78%	very bullish	42.4		negative	deteriorating
		Commodities	86%	very bullish	59.1		positive	improving
		US Oil	61%	bullish	53.8		positive	improving
		Ryan/CRB	87%	HIKE RATES				
		Volatility	14.6	reduced fear				

AAXJ and IWM are virtually tied as the best performing regional choices YTD. IWM, however, is less volatile. It also leads in 13 and 26-week performance, key metrics in our system. Japan is showing life lately, thanks to the US-Japan joint foreign exchange intervention, but that would appear to be temporary until stabilization is realized. Among international equities Developed markets (EFA) are outperforming emerging (EEM).

YTD	FUND	08/14/26	08/07/26	13wk	26wk	39wk	52wk	3Y
24.4%	Asia Pacific ex-Japan (AAXJ)	2.0%	2.5%	2.2%	12.1%	25.4%	39.1%	75.0%
23.9%	US Small-caps (IWM)	1.2%	3.6%	8.2%	15.8%	25.9%	35.8%	50.9%
21.6%	Japan (EWJ)	1.4%	4.9%	7.3%	8.3%	27.3%	33.6%	75.2%
13.8%	US Large-caps (SPY)	0.4%	3.5%	5.4%	14.0%	14.6%	22.0%	49.9%
10.3%	Latin America (ILF)	-2.9%	-2.1%	-5.5%	-6.7%	14.3%	37.7%	56.1%
10.2%	Europe (IEV)	-0.2%	2.0%	7.6%	5.3%	17.1%	22.5%	50.8%
1.3%	Gold Bullion (GLD)	0.8%	7.2%	-7.3%	-12.6%	5.7%	30.6%	79.2%
0.2%	Short US Income (SGOV)	0.1%	0.1%	1.0%	1.8%	2.8%	3.9%	8.8%
-8.6%	Very Long US Bonds (EDV)	-1.5%	1.5%	-4.1%	-10.5%	-10.6%	-3.5%	-14.5%

Global Economy through AUG.23.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

THIS WEEK: 3rd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds DOWN and Gold UP

#1 ASIA-PACIFIC Pushes Past Resistance—
: AAXJ rose 2.0% this week, after gaining 2.5% last week. That left it bullish and ranked 1 globally and more attractive than cash. The index is up 2.2% for the quarter and up 39.1% for the year.

#2 US SMALL-CAPs Make More New Highs—
IWM rose 1.2% this week, after gaining 3.6% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 8.2% for the quarter and up 35.8% for the year.

#3 JAPAN Rallies On Amid Yen Support--
EWJ rose 1.4% this week, after gaining 4.9% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 7.3% for the quarter and up 33.6% for the year.

#4 LATIN AMERICA Tests Intermediate Support--
ILF fell 2.9% this week, after losing 2.1% last week. That left it neutral and ranked 4 globally and more attractive than cash. The index is down 5.5% for the quarter but up 37.7% for the year.

#5 EUROPE Takes a Breath-- IEV fell 0.2% this week, after gaining 2.0% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 7.6% for the quarter and up 22.5% for the year.

#6 US LARGE-CAPS Post New High--
SPY rose 0.4% this week, after gaining 3.5% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 5.4% for the quarter and up 22.0% for the year.

#7 US Cash Yield Down a Tick—
The three-month T-Bill yield is 3.70%, down 1 tick from last week. The cash yield is above the Fed overnight rate (3.625%) following the 7/29 FOMC meeting at which no changes in rate policy were made. Meanwhile, the two-year Treasury is yielding 4.16%, a 46 basis-point premium to cash.

#8 GOLD Continues Higher--
GLD rose 0.8% this week, after gaining 7.2% last week. That left it bearish and ranked 8 globally and less attractive than cash. The index is down 7.3% for the quarter but up 30.6% for the year.

#9 LONG US TREASURIES Retrace Last Week's Gain--
EDV fell 1.5% this week, after gaining 1.5% last week. That left it very bearish and ranked 9 globally and less attractive than cash. Long bonds are down 4.1% for the quarter and down 3.5% for the year as yields have risen.

COMMODITIES Bump Higher--
A very bullish CRB rose 3.8% this week after losing 1.8% last week. That left commodity prices down 0.8% for the quarter but up 37.9% for the year.

OIL Back Above $80—
The broader oil complex (USO) rose 7.3% this week, following last week's loss of 8.7% and currently bullish. That leaves US oil prices down 6.2% for the quarter but up 74.7% for the year.

US DOLLAR Steadies--
UUP rose 0.1% this week, after losing 0.4% last week. It is currently bullish—up 1.8% for the quarter and up 2.9% in the last year.

US ECONOMY: AUG.14.2026:

OVERALL: JULY INFLATION COOL, RETAIL SALES CONTRACT

PRODUCTION: Manufacturing & Services Expanding

(+) WEEKLY EIA Crude Oil Inventories (+17.42) build surges as WTIC oil prices rise past $80.
(-) JUN Industrial Production (+0.1%) in line with prior but below consensus.
(-) JUN Capacity Utilization (76.1) in line with previous but below expectations.
(+) JUL S&P Global U.S. Manufacturing PMI – (53.9) expanding, UP from previous.
(+) JUL S&P Global U.S. Services PMI – (54.6) expanding, UP from previous.
(+) JUL ISM Manufacturing Index (55.6) expanding, above prior and consensus.
(+) JUL ISM Services Index (54.1) expanding, up from prior but less than expected.

CONSTRUCTION: Existing Home Sales Down

(+) JUN Housing Starts (1427K) above consensus and previous.
(-) JUN Building Permits (1367K) below consensus and prior.
(-) JUL Existing Home Sales (4.06M) below previous and consensus.
(+) JUN New Home Sales (628K) beat prior and forecasts.
(-) JUN Construction Spending (-0.1%) below prior and expectations.

INFLATION: JULY CPI, PPI PRICES COOL

(+) JUL CPI (+0.1%) cooler than prior and consensus. (+3.4% y-o-y)
(+) JUL Core CPI (+0.2%) cooler than prior and forecasts. (+2.5% y-o-y)
(+) JUL PPI:(+0.0%) cooler than prior and consensus. (+4.7% y-o-y)
(+) JUL Core PPI (+0.2%) cooler than prior and forecasts. (+4.2% y-o-y)
(-) JUN Import Prices (+0.3%) hot and up but cooler than prior. (+7.1% y-o-y)
(+) JUN Export Prices (-0.6%) down, hot but cooing. (+10.2% y-o-y)
(+) JUN PCE Prices (-0.1%) cooler than prior and expected. (1yr 3.7% up.)
(+) JUN PCE Prices – Core (+0.1%) cooler than prior and expected (1yr 3.3% up.)

JOBS: CLAIMS DATA MIXED

(-) Weekly initial Claims (209K) higher than previous and expectations.
(+) Weekly Continuing Claims (1777K) below previous this week.
(-) JUL ADP Private Payrolls (44K) Down from previous more than expected.
(-) JUL Nonfarm Payrolls (-23K) unexpectedly contracted from prior; well below consensus.
(+) JUL Unemployment rate (+4.1%) down a tick due to shrinking labor force participation.
(-) JUL Average Hourly Earnings (+0.1%) weaker than previous, and below expectations.
(-) JUL Average workweek (34.3) unchanged.
(-) JUN JOLTS Job openings (7.359) DOWN from prior below revision lower.
JOLTS Separations

CONSUMPTION: TRADE DEFICIT EXPANDS, RETAIL NEGATIVE

(-) JUL Consumer Confidence (90.8) DOWN from prior and below consensus.
(+) JUN Durable Orders (+0.3%) beat prior, but well below consensus.
(-) JUN Personal Income (+0.2%), below consensus and prior.
(-) JUN Personal Spending (+0.3%) below consensus and prior.
(+) AUG Michigan Consumer Sentiment (51.0) growing, but below consensus and prior.
(+) JUL NFIB Small Business Optimism (99.8) strong and above prior (97.4).
(-) JUL Retail Sales (-0.6%) unexpectedly contracted.
(+) JUN Trade Deficit (-$73.3) beat prior in line with consensus.
(+) JUL Federal Budget (-$432.3B) in deficit and worse than June.

GDP & RELATED DATA: Productivity Weaker than Expected

(+) Q2 GDP - Prelim (+1.5%) below previous and consensus.
(-) Q2 GDP Deflator - Prelim (+6.3 %) hotter than previous and forecasts.
Q2 Employment Cost Index (+0.9%) hotter than consensus and previous.
(-) Q2 Productivity – (+0.3%) revised weaker than prior and consensus
(-) Q2 Unit Labor Costs – Warm (+1.3%) in line with previous but below consensus. Cooler than inflation.
(-) Q1 Current Account Balance (-$226.8) deficit greater than previous quarter and consensus forecast.

RECESSION THREAT: MINIMAL, FALLING

US recession chances one year out: 15.19% (JULY 2027) per NY Fed. The Fed model's chance of recession has been below 30% (the threshold signaling a recession one year out) and falling since 2025. It reached a recent low of 15 in MAY 2026. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics.

ATLANTA FED: US Q3 GDP NOW at 4.3%

Atlanta Fed Current GDP Model (08/14/2026): Q3 Annualized 4.3% (Last week: Q3 Annualized +5.8%)

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.75T); FFR @ (3.50-3.75%)

Federal Reserve: week of AUG.14.2026

Currently, the Fed's balance sheet is **6.754, up 0.017** in the latest week (8/12/26). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change since at the January, March, April, June or July FOMC meetings.

The next FOMC meeting is September 16. The new chairman since May 22, Kevin Warsh, chaired his first FOMC meeting June 17. No near-term rate hikes were expected or delivered but a more hawkish tone suggests supply-side inflation pressures brought on by the war with Iran may eventually force two rate hikes by year-end. The odds, however, that rates will remain unchanged at the next meeting have improved to 56% after the latest payroll and inflation reports.

The Fed Check at 87% turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at 4.18%, however, is now 56 bps higher than the Fed overnight rate (3.625%), implying near-term US domestic conditions make a Fed rate hike increasingly likely by year-end.

The **3m-10y yield curve steepened to a slope of 100 bps** this week, as the 10-year US Treasury yield rose to 4.70% and the 3-month cash yield fell to 3.70%. Intermediate term the curve is positive and steepening. (The curve was inverted from 11/22 through 12/24 but has been positive since.) The 30d-10y median yield 4.20 is above its 200-day 3.97. A rising median yield and a steepening yield curve are both bullish for stocks.

3-month SOFR yield is 3.62%, while the 3-month T-bill is 3.70%. That puts the SOFR/T-Bill (SOF-T) spread at -0.08 basis points, below its 200-day average of 0.05 bps. **A falling SOF-T spread signals a safer, more confident financial system.**

FED OVERALL THIS WEEK: NEUTRAL
FED CHECK: TIGHTENING INDICATED
RATE POSTURE: STEADY
BALANCE SHEET: STEADY
FED SPEAK: HAWKISH

Latest FOMC Assessment (2026.7.29) The Federal Open Market Committee approved the following statement for release by a 9 – 3 vote: The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve's dual mandate. The Committee is continuing its policy of maintaining ample reserves in the banking system. Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability. (Next Meeting: 9/16/2026)

US Currency Market:
US DOLLAR Steadies

US Dollar: UUP rose 0.1% this week, after losing 0.4% last week. It is currently bullish—up 1.8% for the quarter (13 weeks), and up 2.9% in the last year (52 weeks). At $28.11, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is negative but deteriorating. RSI14 @ 42.4 is neither overbought nor oversold. As for other major currencies vs the Dollar, the Australian $ (FXA) is bullish, and up 0.4% this week. The British Pound (FXB) is very bullish, and up 0.0% this week. The Canadian Dollar (FXC) is bearish, and up 0.5%. The Euro Dollar (FXE) is bearish, and up 0.2%. The Swiss Franc (FXF) is very bearish, and up 0.1%. The Japanese Yen (FXY) is neutral, and up 1.0%.

The two-week US dollar retreat slowed, as cooler than expected US CPI and PPI inflation data, reinforced less hawkish messaging from the Fed, but was offset by a jump in oil prices out of the Middle East. At the same time, the euro has strengthened after Eurozone inflation surprised to the upside, increasing expectations that the ECB may need to tighten monetary policy further. (The euro accounts for nearly 60% of the US. Dollar Index and has a significant impact on the dollar.) Meanwhile, after peaking last week, the Japanese yen pulled back as markets anticipated further policy normalization by the BoJ. Ultimately the greenback steadied after its recent run higher. Overall, the dollar's weakness reflected changing interest rate expectations and a narrowing gap between US monetary policy and that of other major central banks rather than a sharp deterioration in US economic fundamentals. Cooler US growth, however, while Europe and Japan move toward tighter policies, could keep the dollar under pressure.

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Carry-trade This Week

Moose guidance is based on US Dollar denominated ETF proxies. Investors seeking to maximize profits when investing in offshore securities may wish to incorporate a "carry-trade" currency strategy into the decision, (Basically, if a foreign currency is weakening (bearish) against the Dollar, using a Dollar-denominated ETF to invest in that country's assets will outperform using a hedged vehicle. If, however, the foreign currency is bullish vs. the Dollar, the Dollar-denominated investment will underperform. In the event of a weak Dollar there may be currency-hedged foreign equity ETFs available at least for Europe (HEDJ) and Japan (DXJ) that will outperform.

Description	**READ**	US $ investors in Foreign Assets
Australian $ (FXA)	bullish	US$ Investors underperform hedged
British Pound (FXB)	very bullish	US$ Investors underperform hedged
Canadian Dollar (FXC)	bearish	US$ Investors outperform hedged
Euro Dollar (FXE)	bearish	US$ investors outperform hedged (IEV<HEDJ)
Swiss Franc (FXF)	very bearish	US$ investors outperform hedged
Japanese Yen FXY)	neutral	US$ investors match hedged (EWJ<DXJ)
US Dollar	bullish	

#9 LONG US TREASURIES Retrace Last Week's Gain

US Long Treasury Bonds: EDV fell 1.5% this week, after gaining 1.5% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 4.1% for the quarter (13 weeks) and down 3.5% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 4 ticks to 4.70%, and the 3-month yield fell 1 tick to 3.70%, with the yield curve steepening to 100 basis points. That reduces the odds of a recession in late 2026. At US $59.43, EDV is below its short-term (50-day) average and below its intermediate-term (200-day) average. Momentum (PMO) is negative and deteriorating, and its 14-day RSI of 37.5 means EDV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Very long US Treasury bonds gave back last week's gains this week. Yields rose as oil jumped over 7% closing above $80. Weak jobs and cool inflation have been helpful, but ultimately US economic resilience increases expectations that interest rates will remain elevated for longer and dampen growth. Rising oil and commodity prices increase the threat that inflation will remain above the Federal Reserve's target, and lead investors to demand higher long-term yields. Meanwhile, heavy issuance of Treasury securities to finance large federal deficits continues to increase the supply of long-dated bonds, putting additional upward pressure on yields. Although the Fed has left interest rates unchanged in 2026, given generally resilient US economic data of late, the bank seemed to be leaning toward two rate hikes by year-end. Improved global market sentiment reduced demand for Dollars and for Treasuries as safe-haven assets, with some investors shifting toward equities and corporate credit. Overall, higher inflation expectations, an increase in Treasury supply, and a higher-for-longer interest rate outlook have led to the weakness in bonds-- not a significant deterioration in the economic outlook. Future inflation and employment data will likely determine whether yields continue to rise or long-term bonds regain support.

ETF Breakdown: EDV-- A market value-weighted index of high-duration, zero-coupon 25-year US Treasury securities. **Countries:** US (100%). **Top Sectors:** Government (93%), Cash (4%), ETFs (2%), Energy minerals (1%).

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#6 US LARGE-CAPS Post New High

US Large-Cap Stocks: SPY rose 0.4% this week, after gaining 3.5% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 5.4% for the quarter (13 weeks), and up 22.0% for the year (52 weeks). At $776.34, SPY is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 65.8 means SPY is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

After three months of treading water US large-caps broke out last week and continued higher this week, posting another new high Thursday. Strong corporate earnings and continued enthusiasm for artificial intelligence outweighed concerns about rising interest rates. Many large-cap companies, particularly in the technology sector, have reported earnings that met or exceeded expectations, with AI-related investment continuing to support revenue growth and optimistic guidance. As for economic activity, July retail sales and existing home sales both disappointed, but CPI and PPI inflation reads were cool, mitigating against near-term rate hikes. GDP now data indicates 4.3% growth. Healthy consumer spending despite labor market woes help reduce recession concerns and support confidence in continued corporate profit growth. A flat US dollar also benefited multinational companies by maintaining export competitiveness and the value of overseas earnings. Improving investor sentiment continues to encourage additional flows into equities. Overall, the market's gains have reflected confidence in corporate earnings and the resilience of the US economy.

ETF Breakdown: EDV-- A market value-weighted index of high-duration, zero-coupon 25-year US Treasury securities. **Countries:** US (100%). **Top Sectors:** Government (93%), Cash (4%), ETFs (2%), Energy minerals (1%).

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#2 US SMALL-CAPs Make More New Highs

US Small-Cap Stocks: IWM rose 1.2% this week, after gaining 3.6% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 8.2% for the quarter (13 weeks), and up 35.8% for the year (52 weeks). At $305.09, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 63.4 means IWM is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

US small-cap equities sidled up to another new high this week as weakness in the job market lowered elevated interest rates. Economic data had been pointing to moderate but resilient growth and controlled inflation. Healthy consumer spending, and steady business activity are easing fears of an imminent recession. Small-cap companies generate most of their revenues within the United States and suffer more amid an unfavorable domestic outlook. The Fed decision to leave interest rates unchanged also supports the sector by reducing concerns about additional increases in borrowing costs, an important consideration for smaller companies that depend more heavily on bank financing. Better-than-expected corporate earnings and positive guidance further boosted investor confidence. Investors have also broadened their exposure beyond the large-cap technology sector, rotating into more economically sensitive industries such as financials, industrials, and consumer discretionary, which are well represented in small-cap indices. Overall, the week's gains reflected confidence in the resilience of the US economy and the potential for continued earnings growth along with the notion that a near term rate hike is off the boards for now.

ETF Breakdown: IWM-- A cap-weighted index fund. **Countries:** US (99%). **Top Sectors:** Finance (22%), Health Technology (12%), Technology Services (12%), Producer manufacturing (8%), Electronic Technology (7%), Industrial Services (4%), Energy Minerals (4%), Commercial services (4%), Consumer services (3%), Process industries (3%).

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US Equity Market: Week's Top Sectors:
Oil Exploration, Software, Internet

The table below ranks 27 primary US sector ETFs in order of relative momentum this week. Sectors ranked higher than cash are bullish (**buy** or **hold**), and those ranked below cash are bearish (**sell or avoid**). **This week's** US equity sector momentum contracts but remains broadly positive -- 81% of our sectors are buy or hold (L81%) with **BUYS up at 44%** (L48%) and **HOLDS down to 37% (**L33%). **Avoids are steady at 19%** (L19%). **Top performers this week:** Gold Miners, Semiconductors, Software, Internet, Home Construction, Technology, Biotech, Defense. **Week's Worst:** Oil & Gas Production and Services, Banks *(Performance *working off a stop-loss, **working off a buy-stop.)*

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	56%	84%	very bullish	54.1	0.16	positive	improving
64%	Oil/Gas Expl & Prod (XOP)	37%	89%	very bullish	63.4	2.31	positive	improving
59%	US Oil Equip & Serv (IEZ)	41%	70%	bullish	65.6	1.21	positive	improving
36%	US Technology (IYW)	23%	109%	very bullish	60.2	1.46	positive	improving
36%	US Pharmaceuticals (IHE)	18%	106%	very bullish	56.7	2.01	positive	deteriorating
30%	US Health Providers (IHF)	16%	104%	very bullish	55.4	1.59	positive	deteriorating
29%	Industrials (XLI)	16%	107%	very bullish	61.1	1.17	positive	improving
25%	Transports (IYT)	14%	102%	very bullish	52.9	0.65	positive	deteriorating
25%	Select Materials (XLB)	13%	96%	very bullish	55.7	0.90	positive	improving
24%	US Aerospace & Def (PPA)	14%	105%	very bullish	64.6	1.80	positive	improving
21%	KB Banks (KBE)	12%	107%	very bullish	64.3	1.72	positive	deteriorating
20%	Biotechnology (IBB)	14%	114%	very bullish	63.1	2.49	positive	improving
17%	**S&P 500 (SPY)**	**11%**	**108%**	**very bullish**	**65.8**	**1.24**	**positive**	**improving**
17%	REITs (VNQ)	7%	81%	very bullish	52.4	0.28	positive	deteriorating
13%	KBW Insurance (IAK)	4%	94%	very bullish	50.1	1.48	positive	deteriorating
13%	Consumer Staples (XLP)	7%	92%	very bullish	56.9	0.50	positive	deteriorating
9%	Capital Markets (KCE)	7%	111%	very bullish	66.2	2.35	positive	improving
7%	Food & Beverage (PBJ)	3%	28%	bearish	52.1	-0.21	negative	deteriorating
4%	Utilities (XLU)	0%	10%	very bearish	47.7	-0.79	negative	deteriorating
2%	Retail (XRT)	-1%	89%	very bullish	48.6	1.16	positive	deteriorating
1%	DJ Internet Index (FDN)	5%	113%	very bullish	63.4	2.38	positive	improving
0%	Home Construction (XHB)	2%	82%	very bullish	51.3	0.57	positive	improving
-4%	Bitcoin (BLOK)	1%	27%	bearish	50.1	-0.79	negative	improving
-6%	**CASH**	**-3%**	**9%**	**very bearish**	**54.0**	**-0.03**	**negative**	**improving**
-9%	Software (XSW)	2%	116%	very bullish	67.7	4.48	positive	improving
-11%	Telecommunications (FCOM)	-5%	30%	bearish	54.5	-0.06	negative	improving
-15%	Media Portfolio (XLC)	-7%	30%	bearish	58.0	0.23	positive	improving
-16%	Gold Miners (GDX)	0%	60%	bullish	66.3	3.42	positive	improving
-30%	US Medical Devices (IHI)	-12%	77%	bullish	67.2	2.88	positive	improving

US Sector Top Performers: YTD (8/14/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
63.2%	Semiconductors (SMH)	0.9%	7.8%	8.7%	8.8%	54.3%	68.0%	95.8%	163.8%
45.2%	US Oil Equip & Serv (IEZ)	7.9%	1.3%	9.2%	0.8%	17.4%	50.2%	72.6%	47.6%
43.0%	Oil/Gas Expl & Prod (XOP)	8.5%	-6.2%	2.3%	8.7%	27.6%	43.3%	46.5%	37.5%
28.0%	US Technology (IYW)	0.6%	6.7%	7.3%	10.0%	36.9%	27.8%	38.0%	85.9%
21.0%	US Pharmaceuticals (IHE)	0.2%	0.8%	1.0%	16.2%	16.6%	35.8%	52.6%	55.5%
20.2%	Industrials (XLI)	0.7%	3.0%	3.7%	7.2%	10.8%	22.7%	23.3%	53.6%
19.2%	US Health Providers (IHF)	0.1%	1.2%	1.4%	16.9%	28.0%	20.0%	30.7%	5.2%
18.2%	US Aerospace & Def (PPA)	0.7%	5.4%	6.1%	11.1%	9.1%	21.3%	25.5%	73.8%
18.1%	KB Banks (KBE)	2.4%	0.5%	2.9%	11.8%	8.4%	27.3%	23.4%	50.9%
17.5%	Biotechnology (IBB)	0.3%	6.1%	6.3%	16.6%	16.6%	25.3%	44.9%	40.1%

INTERNATIONAL MARKETS:
#8 GOLD Continues Higher

Gold Bullion: GLD rose 0.8% this week, after gaining 7.2% last week. That left it bearish and ranked 8 globally and less attractive than cash. The index is down 7.3% for the quarter (13 weeks), but up 30.6% for the year (52 weeks). At $401.48, GLD is above its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 63.2 means GLD is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Gold bottomed in late-June and bounced along until it popped higher to start August. At that time, an unexpectedly negative July jobs report decreased near term chances of a rate hike and spiked gold 7%. This week's cool CPI and PPI inflation data continued gold's rally. The likelihood of a near term Fed rate hike is now less than 50-50, but gold is looking for rate cuts and that prospect is still non-existent. That, along with recent rate hikes in Europe and Japan are making gold's prospects in a rising-rate-world appear dim. This week, oil prices and the Dollar are up, weighing on gold a little. A large and persistent US deficit remains, along with geopolitical uncertainty (Venezuela, Iran, Ukraine) that continues to influence demand for gold, but US interest rates and the Dollar are the key drivers. Traditional threats (global recession or a severe equity market panic) evidenced by equity margin calls are not in evidence.

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INTERNATIONAL MARKETS:
COMMODITIES Bump Higher

Commodities A very bullish CRB rose 3.8% this week after losing 1.8% last week. That left commodity prices down 0.8% for the quarter (13 weeks), but up 37.9% for the year (52 weeks). At $30.00, the CRB is above its short-term (50-day) average and above its intermediate-term (200-day) average at (122). Its momentum (PMO) is positive and improving, and its 14-day RSI of 59.1 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) rose 7.3% this week, following last week's loss of 8.7% and currently bullish. That leaves US oil prices down 6.2% for the quarter (13 weeks), but up 74.7% for the year (52 weeks). At $126.60, USO is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 53.8 means USO is neither overbought nor oversold. A pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Oil rose to $82 this week, pushing commodities higher. Renewed US-Iran fighting (quashing hopes for de-escalation/diplomacy that might ease shipping disruptions through the Strait of Hormuz) has reduced the geopolitical risk premium. The pop in prices was primarily a supply-risk/geopolitical move rather than evidence of stronger global economic demand. The key driver was the renewed perception that the Hormuz disruption could persist, while the IEA's supply-deficit warning reinforced that concern.

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INTERNATIONAL EQUITIES:
#5 EUROPE Takes a Breath

European Large-Cap Stocks: IEV fell 0.2% this week, after gaining 2.0% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 7.6% for the quarter (13 weeks), and up 22.5% for the year (52 weeks). At $75.63, IEV is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 64.9 means IEV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

IEV pushed to a new high to start Q3 and another last week. This week it took a breath. Credit higher oil prices with increasing the geopolitical risk premium. Europe remains vulnerable to an energy-driven stagflation shock should oil inflation persist, and last week Eurozone inflation surprised to the upside. That increased expectations that the ECB may need to tighten monetary policy further, and the euro strengthened. NOTE: An improving Euro vs. Dollar keeps Europe (IEV +4) underperforming Europe's hedged version (HEDJ +6) and weaker than the US market (VTI +13). Netherlands (EWN +15), Italy (EWI +14), Spain (EWP +12), and are matching or outperforming the US. Ireland (EIRL +13), Britain (EWU +2), France (EWQ +2), Switzerland (EWL +0), Germany (EWG +1), and Denmark (EDEN+1) are lagging.

ETF Breakdown: IEV-- A cap-weighted index fund. **Countries:** UK (24%), France (18%), Switzerland (16%), Germany (13%), Netherlands (7%), Denmark (7%), Energy Minerals (6%), Utilities (4%), Consumer durables (4%), Technology Services (5%), Process industries (3%).

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INTERNATIONAL EQUITIES:
#3 JAPAN Rallies On Amid Yen Support

Japanese Stocks: EWJ rose 1.4% this week, after gaining 4.9% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 7.3% for the quarter (13 weeks), and up 33.6% for the year (52 weeks). At $98.21, EWJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 65.3 means EWJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Japanese equities added to its Yen induced rally this week. to 5% this week, extending its late July run past its 50--day. The yen's sharp volatility was a major factor: coordinated U.S.-Japan intervention helped stabilize the currency after its recent slide, reducing some pressure on import costs but raising uncertainty over whether further intervention or a Bank of Japan rate hike will follow. Japanese shares also benefited from the global equity rally, particularly strength in US. technology stocks and strong corporate earnings, which supported Japan's large technology and semiconductor-related companies. At the same time, higher Japanese bond yields and persistent currency concerns limited enthusiasm. Domestic economic data, including wage and household-spending figures, remained important for assessing consumer strength and the BOJ's policy outlook. Overall, strong global risk appetite and earnings were supportive, while yen volatility, rising yields and BOJ tightening expectations created countervailing pressure. NOTE: For Dollar investors the hedged version of Japanese equities (DXJ @8) is preferable to the dollar-based Japanese equities we track (EWJ @4).but not to US stocks (VTI @13).

ETF Breakdown: EWJ-- A cap-weighted index fund. **Countries:** Japan (100%) **Top Sectors:** Finance (15%), Consumer durables (14%), Producer manufacturing (14%), Electronic Technology (12%), Health Technology (9%), Process industries (5%), Technology Services (5%), Consumer non-durables (5%), Communications (5%), Distribution services (4%).

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INTERNATIONAL EQUITIES:
#1 ASIA-PACIFIC Pushes Past Resistance

Asia-Pacific ex-Japan: AAXJ rose 2.0% this week, after gaining 2.5% last week. That left it bullish and ranked 1 globally and more attractive than cash. The index is up 2.2% for the quarter (13 weeks), and up 39.1% for the year (52 weeks). At $115.81, AAXJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 56.7 means AAXJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Asian equities posted solid gains again this week with AAXJ ending above its 50-day for the first time in five weeks. A generally favorable global risk environment, softer US bond yields and continued strength in corporate earnings supported Asia ex-Japan equities as technology and semiconductor shares remained important drivers, particularly in Taiwan and South Korea. Concerns about elevated AI valuations encouraged some profit-taking. India benefited from renewed foreign-investor interest as capital began rotating from more heavily AI-exposed Asian markets toward domestic-oriented Indian equities. China remains a mixed influence: government support measures provided some encouragement, but the property sector continued to weigh on confidence, with housing demand and developer financing still weak. Trade policy was another source of uncertainty, particularly for export-oriented economies facing changing US tariff arrangements. Overall, strong technology earnings, easier global financial conditions and renewed interest in Asian equities were positive, while stretched valuations, China's property weakness and continuing trade-policy uncertainty limited the upside. Even so, Asian equity markets (AAXJ @10) remains less attractive than US stocks (VTI +13). Taiwan (EWT +44) is still a standout along with South Korea (EWY +35). Singapore (EWS +17), and Australia (EWA +1) are doing passably. Hong Kong (EWH -4), China (FXI -11), and India (IMVP -14) lag the US and are struggling due to energy and US tariffs.

ETF Breakdown: AAXJ-- A cap-weighted index fund. **Countries:** Hong Kong (36%), Taiwan (17%), India (16%), Korea (14%), Mainland China (4%), Singapore (4%), Thailand (2%), Indonesia (2%), Malaysia (2%), US (1%). **Top Sectors:** Finance (24%), Electronic Technology (20%), Technology Services (10%), Retail (7%), Consumer non-durables (5%), Consumer durables (4%), Producer manufacturing (4%), Transportation (4%), Energy (4%), Health Technology (3%).

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INTERNATIONAL EQUITIES:
#4 LATIN AMERICA Tests Intermediate Support

Latin America 40: ILF fell 2.9% this week, after losing 2.1% last week. That left it neutral and ranked 4 globally and more attractive than cash. The index is down 5.5% for the quarter (13 weeks), but up 37.7% for the year (52 weeks). At $33.60, ILF is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 40.0 means ILF is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

ILF dropped below its 50-day support this week but stopped short of breaking its 200-day. Oil and commodity prices rose, but Brazilian and Mexican stocks did not. Only Colombia continues to show positive improving PMO. ILF's performance has been very volatile making the more diversified Emerging markets (EEM) a more attractive market timing choice. That is increasingly true even as Latin equities have retreated. (ILF -8) is no longer outperforming its US cousin (VTI +13 in Price-Performance vs cash. Colombia (COLO +19) is the only equity market outperforming the US. Mexico (EWW -6), Argentina (ARGT -2) Brazil (EWZ -13), and Chile (ECH -9) are all lagging the US. Canada (EWC +11) which is not in ILF, but a key player in the Americas also continues respond positively despite 50% US tariffs on the 60% of its exports not covered by USMCA.

ETF Breakdown: ILF-- A cap-weighted index fund. **Countries:** Brazil (58%), Mexico (26%), US (8%), Chile (6%), Colombia (2%) **Top Sectors:** Finance (31%), Non-energy minerals (20%), Energy Minerals (14%), Consumer non-durables (10%), Retail (7%), Communications (5%), Technology Services (4%), Utilities (3%), Process Industries (2%), Producer manufacturing (2%).

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INVESTMENT STRATEGIES:
PASSIVE DIVERSIFIED: BUY-AND-HOLD

This site compares passive and active investment strategies. The passive strategy is represented by two diversified ETFs, moderate growth (AOM) and aggressive growth (AOA). AOM is comprised of 60% income instruments and 40% equity assets. AOA is 80% equity and 20% income. AOA (mostly stocks) outperforms in bull market scenarios and AOM (mostly bonds) works better when equities are weak.

Passive Buy-and-Hold Strategies
TOP Buy and Hold Strategy: Aggressive Growth (AOA)

2026 has been difficult. US stocks have lagged globally and bonds have been lackluster. Buy & Hold strategies have positive but still relatively modest returns year-to-date. Bond returns out-paced equity returns early on making moderate growth and income (bond-heavy) portfolios the more profitable buy-and-hold choice, but that changed from April on as Aggressive Growth (equity-heavy) became more profitable.

THIS WEEK: 3rd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds DOWN and Gold UP

Technical readings are very bullish among both moderate (40-60) portfolios (AOM) and (80-20) aggressive portfolios (AOA). The differences are still minor and could reverse quickly, as new exogenous variables come into play. Cash is a good option.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
38%	**(AOA) Aggressive Growth**	**8%**	**106%**	**very bullish**	**64.7**	**0.80**	**positive**	**improving**
11%	(AOM) Moderate Growth & Inc	3%	87%	very bullish	60.9	0.31	positive	improving

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
11.4%	**(AOA) Aggressive Growth**	**0.4%**	**2.7%**	**4.0%**	**10.1%**	**14.3%**	**18.5%**	**41.0%**
4.8%	(AOM) Moderate Growth & Inc	0.1%	1.7%	1.5%	4.4%	6.8%	9.7%	22.7%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.7%	(AOA) Aggressive Growth	94.88	99.74	100.03	100.03	84.18	97.28	92.47
99.7%	(AOM) Moderate Growth & Inc	48.63	50.00	50.16	50.16	46.15	49.47	48.27

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**22.8%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	11.4%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.8%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
S&P Benchmark	**13.8%**	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	10.2%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%

The Index Model crushed all competitors in 2025 and is excelling again in 2026. It has outperformed in three of the last ten years. US Strategy Moose has outperformed in six of the last 10 years. In total, one of our two momentum models has outperformed buy-and-hold in nine of the last ten years. For buy and hold investors: Aggressive (AOA) is outperforming more moderate (AOM) diversifications.

This performance data may not reflect total return. Dividends and interest are not included, and the numbers may understate true model, ETF, and benchmark performance by 2-3%. The table above covers the last decade, the period since the models went from weekly to daily and since stop-losses were incorporated. It illustrates several points: (1) Success of any one strategy can be highly variable year-to-year. Just because it worked last year doesn't mean it will next year. (2) Buy-and-hold is preferable in years with few lasting or deep corrections, i.e., trendless volatility. (3) When stocks are trending strong, in either direction, timing is safer. (4) Market timing is most profitable when there is one predominant asset choice, or in extended bear market scenarios. When stocks turn bearish buy-and-hold can be a huge loser. (5) To avoid substantial losses, buy-and-hold investors should have a separate exit plan, whereas such plans are implicit in index targeting (a loss-minimization strategy).

INVESTMENT STRATEGIES:
THE US EQUITY STRATEGY TIMING MODEL

USE Strategy: HOLD US Small-Caps (IWM) since 7/15/2026.

The USES Model began as an equity-only construct for determining the optimum equity strategy for the US large cap stock portion of one's portfolio. It monitored and ranked US equity strategies (as represented by the most popular smart-beta ETFs based on volume and capitalization) using our momentum methodology. The 7 US equity strategies included US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight. As of 4/8/2026 US Small-caps were added into the mix.

THIS WEEK: 3rd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds DOWN and Gold UP

The US Equity Strategy (USES) Model ***HOLDS US Small-Caps (IWM) on 7/15/2026*** *after* MTUM triggered a stop-loss.

MTUM leads in overall confidence among USES assets, but it lags in technical strength and price momentum (PMO). It triggered a buy-stop this week (8/13) which has yet to be confirmed, leaving incumbent IWM in the USES model's top slot this week. IWM's technical strength is very bullish and its PMO is positive and improving,

Best Alternatives: Momentum (MTUM) should the buy-stop confirm. Confirmation means 50-day SMA keeps rising, closing price remains above 50-day and above initial stop-loss level. Absent that, Large-cap High Dividend (SPYD) also has strong technicals and a positive (but deteriorating) PMO.

Volatility Alert: IWM has an unfilled downside gap (249-259) from April 8.

*Stop-loss, **Buy-stop, ***note

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	US Momentum (MTUM)**	21%	87%	very bullish	56	0.13	positive	improving
2	**84%**	**US Small-Caps (IWM)**	19%	**108%**	**very bullish**	63	1.10	**positive**	**improving**
3	73%	US High Dividend (SPYD)	14%	99%	very bullish	61	1.15	positive	deteriorating
4	58%	S&P Equal Weight (RSP)	13%	108%	very bullish	71	**1.42**	**positive**	**improving**
5	50%	US Growth (IUSG)	12%	**110%**	very bullish	62	1.36	positive	improving
6	49%	US Fundamentals (QUAL)	11%	108%	very bullish	65	1.34	positive	improving
7	47%	US Large-caps (SPY)	11%	108%	very bullish	66	1.24	positive	improving
8	46%	US Value (IUSV)	10%	106%	very bullish	100	0.15	positive	improving
9	30%	US Low Volatility (SPLV)	4%	92%	very bullish	53	0.51	positive	deteriorating
10	12%	Cash (SGOV)	2%	88%	very bullish	100	0.15	positive	improving

NOTE: All of the strategies in this model are derivative of and highly correlated to the S&P. When SPY's TS and/or CI is bearish, when it hits a stop-loss, is overbought, or gives some other sell signal, adopting any sub-strategy that is highly correlated to it is not recommended. To initiate a switch both SPY and the strategy ETF must have TS>50% and CI>0 or better, not be overbought, and be working off a buy-stop.

PERFORMANCE: MTUM (stop-loss) leads YTD and over 26 and 39 weeks, and 3 years. IWM is second YTD.

Best Alternative: IWM is the incumbent and a top three performer over most time periods should MTUM's latest buy-stop be confirmed. AI, after all is not going away.

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	27%	US Momentum (MTUM)	**2.6%**	3.2%	8.1%	**30.2%**	**29.1%**	29.8%	**76.7%**
2	24%	US Small-Caps (IWM)	1.2%	3.6%	8.4%	19.8%	28.0%	**33.4%**	50.9%
3	17%	US High Dividend (SPYD)	1.0%	0.8%	7.9%	9.8%	22.1%	19.0%	27.5%
4	16%	S&P Equal Weight (RSP)	1.2%	2.4%	**9.4%**	12.7%	20.8%	20.3%	37.9%
5	16%	US Growth (IUSG)	0.0%	**5.1%**	6.0%	20.3%	17.6%	23.7%	63.2%
6	14%	US Large-caps (SPY)	0.4%	3.5%	6.4%	15.2%	16.8%	21.7%	49.8%
7	14%	US Fundamentals (QUAL)	0.1%	2.9%	8.0%	13.8%	17.7%	20.8%	37.8%
8	13%	US Value (IUSV)	0.9%	1.8%	7.0%	9.6%	16.9%	19.9%	33.6%
9	7%	US Low Volatility (SPLV)	0.2%	0.0%	4.6%	3.0%	9.6%	5.1%	16.7%
10	0%	Cash (SGOV)	0.1%	0.1%	1.0%	1.9%	2.9%	3.9%	8.7%

INVESTMENT STRATEGIES: THE GLOBAL INDEX TIMING MODEL

TOP Index Model Move: HOLD US Small-caps (IWM)

THIS WEEK: 3rd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds DOWN and Gold UP

The Global Index Model *HOLDS US Small-caps (IWM) 7/13/2026.*

EEM leads in overall confidence among Global assets, but it lags in technical strength and price momentum (PMO). It triggered a buy-stop this week (8/12) which has yet to be confirmed, leaving incumbent IWM in the Global model's top slot again this week. IWM's technical strength is very bullish and its PMO is positive and improving,

Best Alternative: Developed Markets (EFA) are a go should the buy-stop confirm. Confirmation means 50-day SMA keeps rising, closing price remains above 50-day and above initial stop-loss level. Absent that, Large-cap High Dividend (SPYD) also has strong technicals and a positive (but deteriorating) PMO.

Volatility Alert: IWM has an unfilled downside gap (249-259) from April 8.

The Global Index Model continues to outperform the S&P, all Buy-and-Hold allocations, and the USES and TSP models in a major way. *stop-loss, **buy-stop, ***note

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	88%	Emerging Markets (EEM)**	72%	bullish	56.2	0.14	positive	improving
2	**78%**	**US Small-caps (IWM)**	**108%**	**very bullish**	63.4	1.10	positive	improving
3	52%	Developed Markets (EFA)	108%	very bullish	66.3	1.44	positive	improving
4	44%	US Large-caps (SPY)	108%	very bullish	65.8	1.24	positive	improving
5	11%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
6	-31%	Gold Bullion (GLD)	34%	bearish	63.2	0.89	positive	improving
7	-38%	Very Long US Bonds (EDV)	1%	very bearish	37.5	-1.34	negative	deteriorating

Performance-wise, IWM holds year-to-date honors this week. and over 13, 26, and 39 weeks. EEM is second YTD. The last quarter has been volatile, with Foreign equities initially besting US equities due to a weaker Dollar from tariffs and US small caps showing occasional rotational strength domestically.

	YTD	FUND	08/14/26	08/07/26	13wk	26wk	39wk	52wk
1	**23.9%**	**US Small-caps (IWM)**	1.2%	3.6%	**8.2%**	**15.8%**	**25.9%**	35.8%
2	21.8%	Emerging Markets (EEM)	**1.5%**	2.4%	1.7%	9.8%	22.4%	**36.2%**
3	13.8%	US Large-caps (SPY)	0.4%	3.5%	5.4%	14.0%	14.6%	22.0%
4	13.1%	Developed Markets (EFA)	0.1%	2.8%	7.0%	5.2%	16.6%	22.3%
5	1.3%	Gold Bullion (GLD)	0.8%	**7.2%**	-7.3%	-12.6%	5.7%	30.6%
6	0.2%	Short US Income (SGOV)	0.1%	0.1%	1.0%	1.8%	2.8%	3.9%
7	-8.6%	Very Long US Bonds (EDV)	-1.5%	1.5%	-4.1%	-10.5%	-10.6%	-3.5%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**22.8%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	11.4%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.8%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%

INVESTMENT STRATEGIES:
THE THRIFT SAVINGS PLAN TIMING MODEL

TSP Momentum & Performance

The Thrift Savings Plan, or TSP, is the government's 401K-style retirement plan. Beginning 12/21/2018, the revised TSP model began incorporating actual fund data and monitoring ten TSP funds instead of five index fund proxies alone. While having ten asset choices offers myriad possibilities, our primary concern involves the overall strategic decision: Should TSP investors use index targeting (market timing) to manage their portfolio or rely on a diversified buy-and-hold approach. **Answer:** it depends on the investor and on what's working.

The TSP Model: HOLD US Small-caps (Fund S)

THIS WEEK: 3rd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds DOWN and Gold UP

This week: The TSP Model *holds US Small-caps (Fund S) since* 7/2/26 @117.55.)

Fund I (International) leads in overall confidence among TSP assets, but it lags incumbent Fund S (Small-caps) in technical strength and PMO, leaving the incumbent in the TSP model's top slot again this week. Fund S leads in very bullish technical strength and a positive and improving PMO.

Best Alternative: US Large-caps are #2 technically (very bullish) with a positive improving PMO @ #2.

OVERALL, aggressive Lifetime Portfolios are outperforming TSP timing and the more moderate B&H portfolios.

	CI%	Fund	**ROC**	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**International Fund (I)**	16%	107%	very bullish	65.5	1.00	positive	improving
2	80%	**US Small-caps (S)**	15%	**110%**	**very bullish**	66.1	**1.31**	**positive**	**improving**
3	77%	Lifetime 2060	13%	108%	very bullish	67.3	1.15	positive	improving
4	63%	Lifetime 2050	11%	107%	very bullish	67.1	0.97	positive	improving
5	61%	**US Large-caps (C)**	11%	**108%**	very bullish	66.2	**1.24**	positive	improving
6	55%	Lifetime 2040	9%	106%	very bullish	67.3	0.87	positive	improving
7	43%	Lifetime 2030	7%	105%	very bullish	67.9	0.70	positive	improving
8	23%	Long-term Inc (L)	4%	103%	very bullish	69.9	0.44	positive	improving
9	3%	Short-term Inc (G)	0%	101%	very bullish	100.0	0.18	positive	deteriorating
10	-16%	Fixed Income (F)	-2%	21%	bearish	48.8	-0.10	negative	improving

TSP Lifetime & Index Funds: Performance Progression

Fund S leads YTD and over 13 and 26 weeks. Fund I had led until European and Japanese rate hikes in June put its performance at risk and generated a stop-loss. Fund I, however, still leads over 39 and 52 weeks.

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**US Small-caps (S)**	**1.3%**	**4.7%**	**10.9%**	**16.9%**	19.3%	26.5%	**20.5%**	50.6%
2	International Fund (I)	**1.3%**	2.4%	8.1%	12.8%	**23.8%**	**29.7%**	19.6%	55.1%
3	Lifetime 2060	0.8%	3.3%	8.6%	13.0%	18.5%	25.2%	17.0%	50.2%
4	US Large-caps (C)	0.4%	3.6%	8.5%	12.3%	14.9%	22.1%	14.5%	46.8%
5	Lifetime 2050	0.7%	2.8%	7.2%	11.0%	15.6%	21.3%	14.3%	42.2%
6	Lifetime 2040	0.6%	2.4%	6.5%	9.9%	14.1%	19.2%	12.8%	37.8%
7	Lifetime 2030	0.5%	1.9%	5.3%	8.1%	11.6%	15.9%	10.4%	31.9%
8	Long-term Inc (L)	0.3%	1.0%	3.3%	5.2%	7.5%	9.9%	6.6%	19.9%
9	Short-term Inc (G)	0.1%	0.1%	1.3%	2.4%	3.5%	4.4%	2.7%	9.0%
10	Fixed Income (F)	-0.1%	0.6%	-0.1%	-0.2%	0.3%	2.6%	-0.1%	5.3%

***Stop-loss hit,** no buy-stop since—default to highest ranked alternative.*

TSP Moose v. TSP Lifetime Funds: Long-Term Performance

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**17.0%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	14.3%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
TSP Moose	13.7%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2040	12.8%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	10.4%	15.6%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%

OBSERVATION: The most aggressive Lifetime Funds have been the best performers since Covid (2020) thanks to the trillions in Federal deficit spending under Trump and Biden. An added bonus: Lifetime funds are a lot less work than timing the markets. The drawback is that buying and holding a Lifetime fund can be a disaster in a cyclical bear market (2022). The risk-reward is better with timing. Fortunately (or unfortunately as one's politics may dictate) the likelihood of a cyclical bear market occurring diminishes as government becomes an ever-larger portion of the US economy and as Fed market manipulation becomes more prevalent. The likelihood of a permanent bear market, however, becomes greater and when that reckoning does eventually come, however, it will be far worse, shaking our national institutions as well as the economy.

MOOSPEAK

JULY INFLATION COOLS

US inflation continued to moderate in July, strengthening the case for a Federal Reserve pause while remaining above the Fed's 2% target. Consumer prices rose just 0.1% month-over-month, while headline CPI eased to 3.4% year-over-year from 3.5% in June. Core CPI increased 0.2% monthly and 2.5% annually, down from 2.6%. Producer prices provided an even stronger disinflationary signal: headline PPI was unchanged in July and its annual rate fell sharply to 4.7% from 5.5% in June. Core PPI rose 0.2% monthly and 4.2% annually, also down from June.

The data suggest that the inflationary effects of earlier energy and supply shocks are fading without broadening significantly into underlying prices. Moderating shelter costs and softer core goods prices are helping, although services inflation remains relatively sticky. Producer prices also remain considerably higher than consumer inflation, indicating some potential for continued pipeline pressure.

Overall, the trend is encouraging but not yet sufficient to declare victory over inflation. Core CPI has gradually declined from roughly 3% in late 2025 and spring 2026 toward the mid-2% range, while shorter-term annualized measures indicate further underlying improvement.

Market implications are generally positive. Softer inflation readings reduce the immediate probability of additional Fed tightening and support expectations for a patient, data-dependent policy stance. This should be supportive of equities and other risk assets, while reducing upward pressure on Treasury yields and potentially weakening the dollar. However, inflation remains above target, and persistent services inflation, tariffs, stronger demand, or renewed energy shocks could slow progress and keep Fed easing expectations restrained.

The WEEK Ahead-- US-Iran Risks Add Uncertainty

Note that Monday's deadline (8/17) for the US-Iran Memorandum of Understanding could represent a significant near-term risk to the inflation outlook. The key issue is the Strait of Hormuz, through which roughly one-fifth of global petroleum supplies normally pass. A failure to extend the agreement could prolong restrictions on shipping, increase the risk of renewed military escalation, and push crude prices substantially higher. Such an oil-price spike would reverse some of the recent progress on inflation and could further delay Federal Reserve rate cuts.

Conversely, an extension or renewed negotiating framework would likely reduce the geopolitical risk premium in crude, lowering oil prices and easing inflation expectations. It could also support equities and Treasuries while reducing demand for gold and the dollar as safe havens.

With negotiations reportedly stalled and the two sides still far apart, the outcome represents a potentially asymmetric market event. **A diplomatic breakthrough would reinforce the recent disinflationary trend, while a breakdown could reignite inflation concerns and complicate the Fed's near-term neutral policy.**

(Prepared with Grok and Chat GPT AI assistance and edited by a human.)