MOOSECALLS

Global Financial News & Analysis
NOV07.2025 through NOV16.2025

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EXECUTIVE SUMMARY: NOV07, 2025

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-OFF (1)

THIS WEEK was the 1st Risk-OFF week after one MIXED-Risk: US Stocks DOWN, Foreign Stocks MIXED, Bonds DOWN, and Gold DOWN.

Hedging the Punchbowl

After Fed chairman Powell's admission that he might be pulling away the punchbowl come December, US markets reacted accordingly. US large-cap stocks (-1.6%) and small-caps (-1.9%) went south along with US long Treasury bonds (-1.0%) and the US Dollar (-0.2%). Oil (-1.8%) and commodities (-0.5%) were also down, and gold was basically flat (+0.1%) after correcting 10% in the previous two weeks. Offshore, Europe (-0.2%) and Japan (-0.2%) were fractionally lower while Asia-Pacific (-1.5%) took a more sizeable hit. Latin America (+2.8%) on a four-week run, was the only positive outlier. One change in the models.

GLOBAL OUTLOOK RECOVERS TO NEUTRAL (2 of 4). The Baltic Dry Index is higher in the past quarter (13 weeks), as are copper prices. Oil and US bond yields are down.

INFLATION: No inflation news this week. Oil and commodity prices pulled back for a second week. Gold steadied after a two-week 10% correction from overbought levels.

US ECONOMIC DATA: Non-existent. Consumer sentiment and ISM Manufacturing disappoint. ISM services beat. ADP private employment (42K) better than anticipated. Latest Q3 GDP Now (+4.0%) above post-war trend. Latest recession probability (10/2026) down and still negligible. Next week: Federal data unavailable until government reopens.

FEDERAL RESERVE: Fed Posture will become less dovish when the Fed stops rolling bonds off its balance sheet December 1. The Fed's balance sheet stands at $6.57 trillion, with the Fed Funds Rate cut to 3.75-4.00%. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >50-50) is expected next week (67%).

INVESTMENT STRATEGIES: **The Index Model** is outperforming all competitors in 2025. It switched back into gold (GLD) from EFA via buy-stop on August 28. It has recently endured a 10% correction but has not triggered a stop-loss. The **US Equity Strategy (USES) Model** holds Growth (IUSG), as US stocks play catch up with foreign equities due to tariffs and a tight Fed. The **Thrift Savings Plan (TSP) Model** is lagging the most aggressive balanced portfolios. It SWITCHES to large cap US equities (Fund C) as of 11/7/25.

GLOBAL OUTLOOK: NEUTRAL (2 of 4)

Indications have improved to neutral for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index rose to 2104 this week, and is higher after 13 weeks, a positive**. (After opening 2023 at 1515, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price at 59.75 fell this week, and is lower for the latest quarter, a negative**. (Oil remains below its 2022 peak @$130, but well above its 2020 Covid lows @$10.)

Our proxy for global construction, **copper fell to 4.96 this week, and remains higher this quarter, a positive**.

Domestically, **10Y US bond yields fell to 4.09% this week and are down over the past 13 weeks, a negative** bet on the largest world economy.

IMF World Economic Outlook (OCT 2025)—

The global economy is adjusting to a landscape reshaped by new policy measures. Some extremes of higher tariffs were tempered, thanks to subsequent deals and resets. But the overall environment remains volatile, and temporary factors that supported activity in the first half of 2025—such as front-loading—are fading.

As a result, global growth projections in the latest World Economic Outlook (WEO) are revised upward relative to the April 2025 WEO but continue to mark a downward revision relative to the pre-policy-shift forecasts. Global growth is projected to slow from 3.3 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026, with advanced economies growing around 1.5 percent and emerging market and developing economies just above 4 percent. Inflation is projected to continue to decline globally, though with variation across countries: above target in the United States—with risks tilted to the upside—and subdued elsewhere.

Risks are tilted to the downside. Prolonged uncertainty, more protectionism, and labor supply shocks could reduce growth. Fiscal vulnerabilities, potential financial market corrections, and erosion of institutions could threaten stability. Policymakers are urged to restore confidence through credible, transparent, and sustainable policies. Trade diplomacy should be paired with macroeconomic adjustment. Fiscal buffers should be rebuilt. Central bank independence should be preserved. Efforts on structural reforms should be redoubled. Past actions to improve policy frameworks have served countries well and industrial policy may have a role, but full consideration should be given to opportunity costs and trade-offs involved in its use.

GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose ETF Rankings through NOV16.2025

This week: Gold (GLD) leads in global momentum. The free Index model HOLDS #1 GLD via buy-stop 8/28/25. *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. *Overbought*

RANK	CI%	Description	TS	READ	RSI	PMO	Condition
1	**100%**	**Gold Bullion**	**97%**	**very bullish**	**51.0**	**3.04**	**deteriorating**
2	68%	Latin America	114%	very bullish	65.9	1.70	improving
3	68%	Asia Pacific ex-Japan	104%	very bullish	58.7	1.93	improving
4	55%	US Small-caps	88%	very bullish	52.4	1.37	deteriorating
5	53%	US Large-caps	101%	very bullish	61.4	1.27	improving
6	48%	Japan	104%	very bullish	59.7	1.35	improving
7	31%	Europe	81%	very bullish	48.8	0.78	deteriorating
8	8%	Short Income	77%	bullish	-	0.16	deteriorating
9	0%	Very Long Bonds	89%	very bullish	48.8	1.53	deteriorating
		Ryan/CRB Indicator	101%	no change			
		ST Interest Rate Equity Indicator	-55%	bearish			
		Volatility Index	0%	neutral			
		US Dollar Index	35%	slightly bullish			
		Commodity inflation trend	95%	neutral			
		Oil	-50%	bearish			

Global Economy through NOV16.2025

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 GOLD Takes A Breather--
Gold bullion's price is **very bullish** and ranked **#1** globally, **more** attractive than cash. GLD **rose 0.1%** this week, following last week's **2.5% loss**. That leaves GLD **up 17.7%** for the quarter (13 weeks), **and up 48.5%** for the year (52 weeks).

#2 LATIN AMERICA's 4-week Rally Continues--
Latin American equities (ILF) are **very bullish** and ranked **#2** globally, **more** attractive than cash. ILF **rose 2.8%** this week, following last week's **2.8% gain**. That leaves ILF **up 17.2%** for the quarter (13 weeks), **and up 22.3%** for the year (52 weeks).

#3 ASIA-PACIFIC Seeks Support--
Asia-Pacific ex-Japan equities (AAXJ) are **bullish** and ranked **#3** globally, **more** attractive than cash. AAXJ **fell 1.5%** this week, following last week's **0.3% gain**. That leaves AAXJ **up 9.9%** for the quarter (13 weeks), **and up 22.0%** for the year (52 weeks).

#4 US SMALL-CAPS Slip Lower --
US small-cap stocks (IWM) are **very bullish** and ranked **#4** globally, **more** attractive than cash. IWM **fell 1.9%** this week, following last week's **1.3% loss**. That leaves IWM **up 9.7%** for the quarter (13 weeks), **and up 1.5%** for the year (52 weeks).

#5 US LARGE-CAPS Retreat--
US large-cap stocks (SPY) are **very bullish** and ranked **#5** globally, **more** attractive than cash. SPY **fell 1.6%** this week, following last week's **0.7% gain**. That leaves SPY **up 5.3%** for the quarter (13 weeks), **and up 12.2%** for the year (52 weeks). **GROWTH** is the top US equity strategy. US equity sector breadth is positive but slightly more bearish. **Top "Buys"** include Semiconductors, Bitcoin, Gold Miners, Technology, Defense, Oil Services. **Top "Avoids":** Food and Beverage, Staples, Insurance, Healthcare Providers.

#6 JAPAN Remains Firm--
Japanese stock prices (EWJ) are **very bullish** and ranked **#6** globally, **more** attractive than cash. EWJ **fell 0.2%** this week, following last week's **1.2% gain**. That leaves EWJ **up 6.9%** for the quarter (13 weeks), **and up 20.0%** for the year (52 weeks).

#7 EUROPE Finds Support—
European equities (IEV) are **very bullish** and ranked **#7** globally, **more** attractive than cash. IEV **fell 0.2%** this week, following last week's **1.3% loss**. That leaves IEV **up 3.9%** for the quarter (13 weeks), **and up 21.0%** for the year (52 weeks)

#8 CASH and 10Y T Yields Mixed—
Cash is ranked 8th in the index model. The US Treasury 10-year yield finished the week 1 ticks lower at 4.09% and the 3-month yield was up 4 ticks at 3.76%, leaving the yield curve flatter but still positively sloped at 34 basis points.

#9 US LONG BONDS Pull Back to Support--
US Long-zeros 25y+ (EDV) are **very bullish** and ranked **#9** globally, **less** attractive than cash. EDV **fell 1.0%** this week, following last week's **1.8% loss**. That leaves long bonds **up 3.9%** for the quarter (13 weeks), **but down 7.0%** for the year (52 weeks).

COMMODITY Prices Still Cool--
Commodities are **neutral** and ranked **#9** globally. The CRB index **fell 0.5%** this week after last week's **0.1% loss**. That left commodity prices **up 2.3%** for the quarter (13 weeks), **and up 6.8%** for the year (52 weeks). Meanwhile, **bearish oil prices (USO) fell 1.8%** this week, following last week's **0.8% loss**. That leaves US oil prices **down 2.8%** for the quarter (13 weeks), **and down 2.6%** for the year (52 weeks).

DOLLAR Extends Break Past 200-day--
The US Dollar is **slightly bullish** and ranked **#10** globally, **more** attractive than cash. The dollar **fell 0.2%** this week, following last week's **1.1% gain**. That leaves it **up 2.7%** for the quarter (13 weeks), **but down 4.6%** for the year (52 weeks).

US ECONOMY: GOV'T DATA

Sentiment, Manufacturing Weaken, Services Beat

US Economy: week of NOV07.2025

THIS WEEK: (GOVT DATA SHUT DOWN)

THE GOOD: OCT **S&P Global U.S. Manufacturing PMI – Final** (52.5) beat previous. OCT **ADP Employment Change** (42K) beat consensus and prior. OCT **ISM Services** (52.4%) beat consensus and prior.

THE BAD: WEEKLY **EIA Crude Oil Inventories** (+5.20M) build replaces large draw (-6.86M) as oil prices fall. NOV **Univ. of Michigan Consumer Sentiment – Prelim** (50.3) below forecasts and prior. OCT **ISM Manufacturing Index** (48.7%) contracting more than anticipated.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

SEP INFLATION COOLER, 2026 COLA 2.8%

US Inflation: week of NOV07.2025

AUG PCE (+0.3%) up inline. (1yr: 2.7%)
AUG Core PCE (+0.2%) up inline (1yr: 2.9%)
Q2 GDP – E3: (+3.8%) revised substantially higher.
Q2 GDP Deflator – E3: (+2.1%) revised higher.
Q2 Current Account Balance: (-$251.3B) below forecasts and prior.

SEP CPI (+0.3%) below prior (1 yr= +3.0%)
SEP Core CPI (+0.2%) cooler than prior. (1 yr= +3.0%)
AUG PPI (-0.1%) cooler. (1 yr= +2.6%)
AUG Core PPI (-0.1%) cooler. (1 yr= +2.8%)
AUG Import Prices (+0.3%) warmer (1yr= +0.0%)
AUG Export Prices (+0.3%) warmer (1yr= +3.4%)

Q2 Employment Cost Index (+0.9%) in line with prior estimate.
Q2 Productivity-Rev. (3.3%) revised higher beating consensus and previous.
Q2 Unit Labor Costs – Rev (+1.0%) revised weaker than consensus and previous.

US ECONOMY: RECESSION & GDP INDICATORS

NY FED: RECEDING MINIMAL RECESSION THREAT

US recession chances one year out: 26.51% (OCT 2026) per NY Fed. (Recession expected if chance > 30%.) As of May 2025, the Fed model's chance of recession fell below 30%, the threshold signaling a recession one year out. It remains there. 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. The official responsible for providing the erroneous jobs data was fired (8/3/25).

ATLANTA FED: US Q3 GDP NOW Above Trend At 4.0%

Atlanta Fed Current GDP Model (11/6/2025): **Q3 Annualized +4.0% (Last week: Q3 Annualized +3.9%)**

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.572T); FFR @ (3.75-4.00%)

Federal Reserve:
week of
NOV07.2025

After over-tightening, in Q1 2020 the Fed took its fed funds rate to zero with two Covid emergency rate cuts, where it remained until March 2022. Simultaneously, the Fed doubled its balance sheet to $9 trillion in monetary stimulus (QE), exceeding measures taken during the global financial crisis in 2008, including commercial paper funding as well as unlimited purchases of treasuries, mortgages, municipals, and junk bonds.

The Fed plan was to roll 95 billion per month in maturing bonds off its 8.965T balance sheet beginning 6/1/22. It had succeeded in reducing it to 8.34T by mid-March 2023, when the bank crisis required an expansion (back to 8.73T). After about two and a half years, the Fed announced it will end quantitative tightening and stop reducing its balance sheet as of December 1, 2025.

Currently, the Fed's balance sheet is 6.572T, DOWN (-0.018T) in the latest week (NOV05, 2025). The Fed Funds Rate was lowered 25 BPS to 3.75-4.00% at the OCT29 FOMC meeting. The next FOMC meeting is DEC10.

The Fed Check at 101% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.56%, however, is 31 bps LOWER than the Fed overnight rate (3.87%), implying US domestic conditions merit at least one more Fed rate cut.

CME Fed futures have been 100% sure that there will be no Fed rate hikes this year for eight months. After Fed chair Powell's hawkish comments following the latest FOMC meeting, futures are only 67% sure that a third Fed rate cut is coming in December, down from 91% certainty before his comments.

The 3m-10y yield curve flattened this week, going from a positive slope of 38 bps to one of 34 bps, as the 10-year US Treasury yield fell 1 bpt to 4.09%, and the 3-month cash yield rose 4 ticks to 3.76%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The median yield is still falling, leaving our interest rate signal for stocks bearish.

3-month SOFR yield @3.92% is down this week, while the 3-month T-bill @3.76% is up. That puts the SOFR/T-Bill (SOF-T) spread at 16 basis points, below its 200-day (19 bps). A falling SOFR spread signals a safer, more confident financial system.

FED POSTURE THIS WEEK: DOVISH (+1) LW: DOVISH (+2)
Rate Posture: (Cutting) DOVISH (+1),
Balance Sheet (Steady) NEUTRAL, (0),
Fed Speak NEUTRAL (0),
Fed Check NEUTRAL (0)

Latest FOMC Assessment (2025.10.29) Available indicators suggest that economic activity has been expanding at a moderate pace. Job gains have slowed this year, and the unemployment rate has edged up but remained low through August; more recent indicators are consistent with these developments. Inflation has moved up since earlier in the year and remains somewhat elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate and judges that downside risks to employment rose in recent months. In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point to 3-3/4 to 4 percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee decided to conclude the reduction of its aggregate securities holdings on December 1. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. **(Next FOMC meeting: 2025.12.10)**

US Currency Market:
Dollar Extends Break Past 200-day

US Dollar: UUP fell 0.2% this week, following last week's 1.1% gain. It is currently slightly bullish—up 2.7% for the quarter (13 weeks), but down 4.6% in the last year (52 weeks). At 28, UUP is above its short-term (50-day) average at 28, and above its intermediate-term (200-day) average at 28. Momentum in the greenback is positive and improving, but RSI14 @61 is neither overbought nor oversold. A Dollar weakened this week, dampening US assets over foreign assets, commodities, and gold. Longer term, the bullish Dollar favors US investments over foreign assets and commodities, while reducing US trade competitiveness.

The Dollar (UUP) punched through 200-day overhead resistance last week after the Fed cut the overnight rate to 3.875%. (3.75%-4.00%) but gave some back this week (Dollar price momentum is still positive and has been improving since the September rate cut.) Meanwhile, the record-setting Federal government shut-down lingers on into a fifth week. Meanwhile, food stamps and air traffic control are out of money, a bad sign for politicians at Thanksgiving. With 2024 government spending about 40% of US GDP, however, more significant cuts have the potential to weaken total US demand and by extension the Dollar. Elsewhere, Europe and Japan still have significantly easier monetary policies, helping the Dollar, while US tariffs dampen our economic performance and weaken it. As for other major currencies vs the Dollar, the Euro is neutral, and up 0.3% this week. The Yen is bearish, and up 0.5%. The Pound is slightly bearish, and flat 0.0%. The Canadian $ is neutral, and flat 0.0%. The Australian $ is slightly bullish, and down 0.8%.

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Carry-trade This Week

Non-Dollar investors seeking to maximize profits using the Moose should incorporate a "carry-trade" currency strategy into the decision, making it a two-step process. First, decide if it makes sense to switch to US Dollars, then use the Moose to identify the best ETF in which to put them. (Generally, if one's currency is weakening (bearish) against the Dollar, non-Dollar investors in the Moose will outperform. If a currency is bullish vs. the Dollar, the Dollar investment will underperform. If the Dollar is weakening, Dollar investors in the Moose might consider currency-hedged foreign equity ETFs instead of the Dollar denominated funds we track. A strengthening Dollar, however, suggests they be avoided.

	TS	Trend	Non-Dollar investors in $ Moose	US $ investors in Foreign Assets
Euro	13%	neutral	Euro investors match	US$ investors (IEV=HEDJ)
Yen	-73%	bearish	Yen investors outperform	US$ investors (DXJ>EWJ)
Australian $	45%	slightly bullish	Aussie $ investors underperform	US$ Investors outperform in A$
British Pound	-31%	slightly bearish	Sterling investors outperform	US$ investors match in Pound
Canadian $	-20%	neutral	Canadian $ match	US$ investors match in C$

US Bond Market:
#9 BONDS Back Off to Support

US Long Treasury Bonds EDV fell 1.0% this week, following last week's 1.8% loss, leaving it ranked #9 globally and less attractive than cash. Long bonds are up 3.9% for the quarter (13 weeks) **but** down 7.0% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield finished the week -1 tick lower at 4.09%, and the 3-month yield was higher at 3.76%, leaving the yield curve positively sloped 34 basis points. That reduces the odds of a recession in late 2025. Technically, US long bonds are very bullish and at 68, EDV is below its short-term (50-day) average at 69, and above its intermediate-term (200-day) average at 67. Momentum (PMO) is positive but deteriorating, and its 14-day RSI of 48.8 means EDV is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US bonds. Longer term, the bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

Bonds triggered a buy-stop the day before the FOMC rate cut (10/29) but have decisively retreated since. The bond retreat followed Fed chair Powell's admission that a third rate cut in December is not set in stone. Meanwhile, the record-setting Federal government shut-down lingers on into a fifth week. At the start, bonds were up, betting on economic weakness with Uncle Sugar no longer dropping other people's money out of helicopters. Over the last two weeks, however, bonds are down, a bet on strength as private cap-ex spending expands under the 2025 tax legislation. Despite this week's retracement, EDV is still above both its 50 and 200-day moving averages for the first time since the April tariff announcements. Momentum is positive but deteriorating, suggesting some economic weakness is expected, but concerns are waning. The overnight Fed Funds rate (3.87%) is finally lower than the 10-year Treasury yield (4.09%), but still higher than the 2-year yield (3.56%) suggesting the Fed should provide at least another 25 basis-point Fed rate cut (67%) at the next Fed meeting (12/10).

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%).

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US Equity Market:
#6 US LARGE-CAPS Retreat

US Large-Cap Stocks: SPY fell 1.6% this week, following last week's 0.7% gain, leaving it ranked #5 globally and more attractive than cash. The index is up 5.3% for the quarter (13 weeks), **and** up 12.2% for the year (52 weeks). Technically, US large caps are very bullish and at 671, SPY is above its short-term (50-day) average at 667, and above its intermediate-term (200-day) average at 611. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 61.4 means SPY is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US stocks. Longer term, the bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

Despite extended valuations, SPY has had unwavering short-term support for over six months. The index backed off after last week's rate cut (10/29), however and this week another retreat followed. SPY is still up 19% in six months, but Fed chairman Powell's hawkish attempt to pull away the December punchbowl during his FOMC presser didn't help. Large cap momentum remains positive but deteriorating after two rate cuts. The uncertainties regarding taxation, fiscal spending, and the debt ceiling are legislated away, and the Federal deficit remains bullishly large, although tariffs are reducing it slightly. Government shutdowns normally don't affect the equity markets, but we're in uncharted territory as this one enters a second month. Relatively high interest rates and self-inflicted taxes on imports have kept US stocks from overtaking foreign equity competition this year. Lately, however, US equities are bullish and beginning to outperform their offshore counterparts, as US rates come down and as legal issues over tariffs come to a head.

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:
#4 US SMALL-CAPS Slip Lower

US Small-Cap Stocks IWM fell 1.9% this week, following last week's 1.3% loss, leaving it ranked #9 globally and more attractive than cash. The index is up 9.7% for the quarter (13 weeks), and up 1.5% for the year (52 weeks). Technically, US small caps are very bullish and at 242, IWM is below its short-term (50-day) average at 242, and above its intermediate-term (200-day) average at 219. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 52.4 means IWM is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US assets. Longer term, the bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

A six-month small-cap rally backed off after last week's rate cut (10/29), and this week another retreat followed. IWM is still up 21% in six months, but Fed chairman Powell's hawkish attempt to pull away the December punchbowl during his FOMC presser didn't help. Small companies with less access to capital benefit disproportionately from interest rate cuts and they take it harder when those cuts could disappear. Small cap momentum remains positive but deteriorating after two rate cuts. The uncertainties regarding taxation, fiscal spending, and the debt ceiling are legislated away, and the Federal deficit remains bullishly large, although tariffs are reducing it slightly. Government shutdowns normally don't affect the equity markets, but we're in uncharted territory as this one enters a second month. Relatively high interest rates and self-inflicted taxes on imports have kept US stocks from overtaking foreign equity competition this year. Lately, however, US equities are bullish and beginning to outperform their offshore counterparts, as US rates come down and as legal issues over tariffs come to a head.

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 Top 5 Sectors:
Semiconductors, Bitcoin, Gold Miners, Technology, Biotech

The table below ranks our 25 primary US sector ETFs in order of relative strength at the close of the latest week. Momentum investors may consider those ranked higher than cash bullish (**buy** or **hold**), and those ranked below cash bearish (**sell or avoid**). Value investors may feel the opposite.

This week's US equity sector breadth is positive and narrower than last week -- 82% of our sectors are buy or hold (L85%) with BUYS now 30% (L29%) and HOLDS now 52% (L56%). AVOIDS are currently 18% (L15%). Top "Buys" include Semiconductors, Bitcoin, Gold Miners, Technology, Biotech, Oil Services and Defense. Top "Avoids": Food and Beverage, Staples, Insurance, Healthcare Providers, Medical Devices.

TICKER	CI	NAME	SECTOR	TS	Manual Sort
SMH	60%	Semiconductors (SMH)	Tech	33%	slightly bullish
BLOK	54%	Bitcoin (BLOK)	Tech	78%	very bullish
GDX	44%	Gold Miners (GDX)	Materials	68%	bullish
IYW	35%	US Technology (IYW)	Tech	92%	very bullish
IBB	32%	Biotechnology (IBB)	Health-Tech	98%	very bullish
IEZ	23%	US Oil Equipment & Services (IEZ)	Energy	87%	very bullish
PPA	22%	US Aerospace & Defense (PPA)	Industrial-Tech	86%	very bullish
FCOM	21%	Telecommunications (FCOM)	Telecom	80%	very bullish
SPY	**19%**	**S&P 500**	**BENCHMARK**	**92%**	**very bullish**
IHE	18%	US Pharmaceuticals (IHE)	Health	95%	very bullish
XLC	15%	Media Portfolio (XLC)	Consumer	72%	bullish
FDN	14%	DJ Internet Index (FDN)	Tech	76%	very bullish
XLI	12%	Industrials (XLI)	Industrial	86%	very bullish
XRT	12%	Retail (XRT)	Consumer	38%	slightly bullish
IYT	12%	Transports (IYT)	Transportation	78%	very bullish
XLU	11%	Utilities (XLU)	Utilities	89%	very bullish
KCE	10%	Capital Markets (KCE)	Financial	5%	neutral
XSW	10%	Software (XSW)	Tech	61%	bullish
XHB	7%	Home Construction (XHB)	Home Builders	10%	neutral
KBE	7%	KB Banks (KBE)	Financial	1%	neutral
XOP	7%	Oil & Gas Exploration & Production (XOP)	Energy	-26%	slightly bearish
XLB	1%	Select Materials (XLB)	Materials	-32%	slightly bearish
VNQ	0%	REITs (VNQ)	Real Estate	-7%	neutral
SHY	**0%**	**CASH**	**BASELINE**	**50%**	**bullish**
IHI	0%	US Medical Devices (IHI)	Health-Tech	16%	neutral
IHF	-3%	US Health Care Providers (IHF)	Health	3%	neutral
IAK	-4%	KBW Insurance (IAK)	Financial	-57%	bearish
XLP	-6%	Consumer Staples (XLP)	Consumer	-91%	very bearish
PBJ	-8%	Food & Beverage (PBJ)	Consumer	-97%	very bearish

INTERNATIONAL MARKETS:
#1 GOLD Takes A Breather

Gold Bullion: GLD's price rose 0.1% this week, following last week's 2.5% loss, leaving it ranked #1 globally and more attractive than cash. Most recently GLD is up 17.7% for the quarter (13 weeks), **and** up 48.5% for the year (52 weeks). Technically, Gold bullion (GLD) is currently very bullish and at 368 above its short-term (50-day) average at 358, and above its intermediate-term (200-day) average at 312. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 51.0 means GLD is neither overbought nor oversold. As for currency effects, the US Dollar weakened this week, improving return for dollar investors in gold bullion. Longer term, a bullish Dollar dampens return to Dollar investors in gold.

GLD got an immediate rate cut (98%) at the 10/29 Fed meeting as expected but could not avoid the overbought (10%) correction that had already ensued. (That chairman Powell made a hawkish attempt to pull away the December punchbowl during his presser didn't help.) GLD shows no signs of a meltdown at this point, nor does it look like a buy-the dip opportunity quite yet (See Moospeak.) On the bearish side, the US Dollar has broken above medium term resistance. Bullish indications for gold include ongoing central bank purchases, Chinese consumer buying, latent inflation fears, a sense of major disruption in the way the US government is doing things, a large persistent US deficit, and geopolitical tension. Traditional threats to bullion are not in evidence. Neither global recession (as evidenced by a very bullish bond market and falling yields) nor a severe equity market panic (evidenced by margin calls that require investors to sell their best performers to cover) is in evidence.

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INTERNATIONAL MARKETS:
COMMODITY Prices Still Cool

Commodities: A neutral CRB fell 0.5% this week after last week's 0.1% loss. That left commodity prices up 2.3% for the quarter (13 weeks), and up 6.8% for the year (52 weeks). At 301, the CRB is above its short-term (50-day) average at 300, and above its intermediate-term (200-day) average at 300. Its momentum (PMO) is positive and improving, and its 14-day RSI of 51 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, oil prices (USO) fell 1.8% this week, following last week's 0.8% loss, and are currently bearish. That leaves US oil prices down 2.8% for the quarter (13 weeks), and down 2.6% for the year (52 weeks). At 71, USO is below its short-term (50-day) average at 69, and below its intermediate-term (200-day) average at 72. The Dollar weakened this week, enhancing return for investors in hard assets. Longer term, the bullish Dollar is dampening return for investors in commodities and oil.

Commodities were quietly lower this week, led by oil. Gains have been limited by chairman Powell's hawkish press remarks that the previously anticipated December rate cut was far from a foregone conclusion. Oil prices also settled lower this week after US Manufacturing PMI showed a contraction and US oil inventories hit 5.2 million barrels suggesting less demand for existing supply than hoped. OPEC still plans a modest output increase to lower prices in December but will do away with it in 2026. Elsewhere, a Phase 1 peace agreement between Israel and Hamas and the end of the summer driving season had dropped West Texas Intermediate crude prices into the mid-fifties before the sanctions were re-established and pushed WTIC back above $60. The government shut-down and slower spending will cool price pressures while it persists. Meanwhile, commodities and bonds are still in global balance, with the Fed Check suggesting a neutral rate stance by the Fed.

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INTERNATIONAL EQUITIES:
#7 EUROPE Finds Support

European Large-Cap Stocks: IEV fell 0.2% this week, following last week's 1.3% loss, leaving them ranked #7 globally and more attractive than cash. Most recently, Europe is up 3.9% for the quarter (13 weeks), and up 21.0% for the year (52 weeks). Technically, IEV is very bullish at 66—above its short-term (50-day) average at 66, and above its intermediate-term (200-day) average at 62. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 48.8 means IEV is neither overbought nor oversold. As for currency effects, the Euro strengthened this week, enhancing returns. Longer term, a bullish Euro enhances return to Dollar investors, but limits Europe's trade competitiveness.

European equities have followed a two-week rally with a two-week retreat. The Fed rate cut did not impress, nor did Fed chair Powell's waffling on the December cut. European equities had early spring momentum compared to other regions, but that advantage faded in summer as EU and UK tariff agreements came into focus. In early August, however, European momentum began to pick up on rumors that the Fed would finally begin cutting rates in Fall, sparking a long-awaited US economic revival. In Britain, the BoE is keeping rates high, cautious about cutting too fast, and monitoring inflation and labor-market dynamics carefully. Meanwhile, the European Central Bank is also cautious but more dovish keeping its benchmark rate steady at 2% compared to the latest 3.875% Fed rate. A strong Euro and European borrowing costs that are half those of the US give the EU a monetary advantage over the US, but it is receding with each US rate cut. (A slightly bullish Euro vs. Dollar keeps IEV outperforming the hedged version (HEDJ) of European equities.)

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:
#6 JAPAN Remains Firm

Japanese Stocks: EWJ fell 0.2% this week, following last week's 1.2% gain, leaving it ranked #6 globally and more attractive than cash. Most recently, Japan is up 6.9% for the quarter (13 weeks), and up 20.0% for the year (52 weeks). Technically, EWJ is very bullish at 83, above its short-term (50-day) average at 81, and above its intermediate-term (200-day) average at 74. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 59.7 means EWJ is neither overbought nor oversold. As for currency effects, the Yen weakened this week, dampening return for dollar investors in Japanese stocks. Longer term, a bearish Yen dampens return to Dollar investors but improves Japan's trade competitiveness.

EWJ settled slightly lower this week in the wake of President Trump's visit with Japanese PM, Sanae Takeichi. After a rocky political start, which included a new coalition partner, Takaichi's administration is expected to implement expansionary fiscal policies, promoting a "high-pressure economy" fostered by continued accommodative monetary policy from the BoJ. Even though Japanese headline inflation is still above the Bank of Japan's 2% target for a third straight year, a long anticipated 25-basis-point rate hike has apparently been pushed back to early 2026, with immediate hikes now unlikely. Meanwhile, the dovish BoJ lending at 0.5% gives Japan and EWJ a significant but shrinking advantage over the US, which has a 3.875% Fed rate. Even so, trading partner joy over last week's Fed rate cut (10/29) was dampened by chairman Powell's attempt to snatch the December punchbowl during his presser. For Dollar investors, a bearish Yen vs. the Dollar makes the hedged version (DXJ) of Japanese equities preferable to EWJ as political momentum turns back toward a traditional weak yen policy.

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:
#3 ASIA-PACIFIC Seeks Support

Asia-Pacific ex-Japan AAXJ fell 1.5% this week, following last week's 0.3% gain, leaving it ranked #3 globally and more attractive than cash. The index is up 9.9% for the quarter (13 weeks), and up 22.0% for the year (52 weeks). Technically, AAXJ is bullish and at 93, above its short-term (50-day) average at 92, and above its intermediate-term (200-day) average at 82. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 58.7 means AAXJ is neither overbought nor oversold. As for currency effects, the US Dollar weakened this week, improving return for dollar investors in Asian stocks. Longer term, a bullish Dollar dampens return to Dollar investors in Asian stocks but improves the region's trade competitiveness.

Asia-Pacific equities have followed a two-week rally with a two-week slide down toward 50-day support. AAXJ settled slightly lower this week in the wake of President Trump's meetings with major trading partners in Thailand, Malaysia and China. Moreover, trading partner joy over last week's Fed rate cut (10/29) was dampened a bit when chairman Powell tried to snatch the December punchbowl during his presser. Fed rate cuts and a weak Dollar have boosted Asian stocks over the last six months, but now the Dollar has broken above intermediate term resistance and further US rate cuts, according to the Fed chair, are no longer "a foregone conclusion". Despite tariffs, equities in Asia have been picking up on the Fed dovishness as the bullish region presses for new highs. Several Asian equity markets are still more attractive than US stocks (VTI +18) including South Korea (EWY +55), Taiwan (EWT +24), and Hong Kong (EWH +22). China (FXI +15) and Singapore (EWS +13) are comparable, while Australia (EWA +6) and India (PIN -2) are lagging due to US tariff issues.

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:
#2 LATIN AMERICA's 4-week Rally Continues

Latin America 40: ILF rose 2.8% this week, following last week's 2.8% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 17.2% for the quarter (13 weeks), **and** up 22.3% for the year (52 weeks). Technically, ILF is very bullish and at 30, ILF is above its short-term (50-day) average at 28, and above its intermediate-term (200-day) average at 26. Its momentum (PMO) is positive and improving, and its 14-day RSI of 65.9 means ILF is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, enhancing return for dollar investors in Latin stocks. Longer term, the bullish Dollar dampens return to Dollar investors in Latin stocks but improves the region's trade competitiveness. It also makes repaying dollar-denominated debt tougher.

ILF's rebound off its 50-day continued for a 4th week as the Fed cut rates as anticipated. The prospect of one more Fed rate cut this year has dimmed, however, after chairman Powell tried to snatch December's punchbowl during his presser. Cheaper US money is good for Latin stocks, and the tariff situation is less of a problem for Latin exporters than it is for US consumers and business. Latin stocks have outperformed their US cousins (VTI +18) for nine months but are fading lately. Colombia (COLO +34) and Brazil (EWZ +22) are strongest. Mexico (EWW +14), and Chile (ECH +13) are comparable, and while Argentina was bearish, new elections last week tossed the lefties and gave capitalism a new lease (ARGT now at 3, up from -18 two weeks ago.) Even Canada (EWC +15) which is not in ILF, but a key player in the hemisphere continues to do well despite facing deadlock over 35% 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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Private Sector Strategies—ETFs
Market Timing v. Diversified Buy & Hold: Performance

Strategy	25 YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016
Index Moose	47.4%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%	-6.0%
Aggressive G&I (AOA)	15.4%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%	3.5%
S&P Benchmark	14.5%	24.5%	24.3%	-19.5%						
US Strategy Moose	10.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%	-5.6%
Moderate G&I (AOM)	9.7%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%	5.3%

The Index Model is outperforming all competitors in early 2025 after lagging buy-and-hold in 2024.
US Strategy Model outperformed all competitors in 2024 but is slightly behind the S&P in 2025.
For buy and hold investors: Aggressive (AOA) is outperforming more moderate (AOM) diversifications.

The table above is short, but it illustrates several points: (1) Success of any strategy can be highly variable year-to-year. (2) Just because it worked last year doesn't mean it will next year. (3) Buy-and-hold is preferable in a bull market with few lasting or deep corrections amid trendless volatility. (4) When stocks are trending strong, aggressive buy-and-hold is best, but when stocks go bearish it 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). (6) Market timing is most profitable when there is one predominant asset choice, or in extended bear market scenarios.

The US Equity Strategy (USES) Model
TOP US Equity Strategy: HOLD US GROWTH (IUSG)

In this section: 7 alternative US equity strategies (as represented by the most popular smart-beta ETFs based on volume and capitalization) and 2 global asset allocation strategies are monitored and ranked using our momentum methodology. The 7 US equity strategies include US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight. The 2 global asset allocation strategies are moderate (40% equities / 60% income) and aggressive (80% equities / 20% income). The table below compares the relative strength of each of the 9 strategies to a SPY benchmark and a SHY cash baseline.

THIS YEAR: US Stocks struggled in January, backed off in March, plummeted to a V-bottom in April and rebounded by May. They are bullish but have lagged offshore equities and gold throughout, due to a weaker Dollar caused by US tariffs. Now, with the second rate cut in the books, and possibly one more rate cut to come, US tariffs, and trillions in US federal deficit spending continuing through December (absent recissions), equities and hard assets appear to have solid future prospects.

THIS WEEK: Among US stock strategies, US Growth leads in confidence index, rate of change, technical strengths and PMO, which is improving. The USES model thus holds Growth (IUSG) since 9/24/2025. USES model performance continues to lag the S&P in 2025 but is gaining with time.

THIS WEEK was the 1st Risk-OFF week after one MIXED-Risk: US Stocks DOWN, Foreign Stocks MIXED, Bonds DOWN, and Gold FLAT.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	US Growth (IUSG)	25%	103%	very bullish	47.9	1.19	positive	deteriorating
2	87%	US Momentum (MTUM)	18%	74%	bullish	40.1	0.08	positive	deteriorating
3	67%	US Large-caps (SPY)	17%	101%	very bullish	49.1	0.97	positive	deteriorating
4	44%	US Fundamentals (QUAL)	10%	92%	very bullish	43.9	0.59	positive	deteriorating
5	31%	US Value (IUSV)	7%	95%	very bullish	51.5	0.61	positive	deteriorating
6	28%	S&P Equal Weight (RSP)	6%	74%	bullish	47.2	0.00	positive	deteriorating
7	10%	Cash (SGOV)	3%	88%	very bullish	99.0	0.16	positive	deteriorating
8	2%	Short Income (SHY)	0%	70%	bullish	47.3	0.08	positive	deteriorating
9	-5%	US High Dividend (SPYD)	-3%	33%	bearish	44.7	-0.69	negative	deteriorating
10	-12%	US Low Volatility (SPLV)	-5%	13%	very bearish	47.2	-0.66	negative	deteriorating

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 negative, 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>0 and CI>0 or better, not be overbought, and be working off a buy-stop.

Best S&P Strategies

IUSG leads in all four quarters & MTUM over 3 years

This week: IUSG leads over 52, 39, 26, and 13 weeks. Edged out by Momentum YTD and over 3 years. US equities catching up with offshore stocks. Among US strategies, Momentum outperforms the S&P benchmark over 3 years.

	YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
1	21%	US Momentum (MTUM)	-2.4%	-0.5%	2.7%	15.2%	13.4%	22.5%	**77.6%**
2	19%	US Growth (IUSG)	-2.4%	**1.5%**	**6.6%**	**24.4%**	**16.2%**	**25.1%**	76.3%
3	15%	US Large-caps (SPY)	-1.6%	0.7%	6.6%	19.1%	12.5%	17.8%	59.8%
4	10%	US Value (IUSV)	-0.5%	-0.5%	6.2%	12.8%	7.4%	7.7%	39.3%
5	9%	US Fundamentals (QUAL)	-1.6%	-0.3%	4.4%	12.7%	6.1%	9.2%	47.4%
6	8%	S&P Equal Weight (RSP)	-0.2%	-1.7%	2.5%	10.0%	5.3%	6.7%	39.1%
7	4%	US Low Volatility (SPLV)	**1.2%**	-2.5%	-1.8%	-1.0%	1.6%	2.0%	24.9%
8	4%	Short Income (SHY)	-0.2%	-0.2%	0.8%	2.0%	3.6%	4.5%	10.1%
9	3%	Cash (SGOV)	0.0%	0.0%	1.1%	2.2%	3.3%	4.4%	10.1%
10	2%	US High Dividend (SPYD)	0.4%	-3.2%	0.9%	3.1%	0.9%	-1.3%	34.9%

The Global Index Model

TOP Index Model Move HOLD GLD

THIS YEAR: Strong gold and weak US stocks put the Index model into gold from January through April helping us to avoid the March-April V-bottom in equities caused by the tariff announcement. Exiting gold, which had flattened by mid-May, for International stocks set up a period of vacillation between gold and international stocks that ended with a switch back to gold in late August, ahead of the first Fed rate cut on 9/18. With rate cuts, trillions in US federal deficit spending, and US tariffs weakening the Dollar through December, foreign equities and hard assets still have excellent future prospects.

THIS WEEK: 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. Index Moose HOLDS #1 Gold (GLD) via buy-stop after selling #2 EFA 8/28/25.

THIS WEEK was the 1st Risk-OFF week after one MIXED-Risk: US Stocks DOWN, Foreign Stocks MIXED, Bonds DOWN, and Gold FLAT.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**Gold Bullion**	**28%**	**97%**	**very bullish**	**51.4**	**2.09**	**positive**	**deteriorating**
2	66%	Emerging Markets	22%	104%	very bullish	51.1	1.59	positive	deteriorating
3	55%	US Small-caps	16%	88%	very bullish	46.3	0.74	positive	deteriorating
4	53%	US Large-caps	17%	101%	very bullish	49.1	0.97	positive	deteriorating
5	38%	Developed Markets	12%	92%	very bullish	50.9	0.53	positive	deteriorating
6	8%	Short Income	2%	77%	very bullish	46.9	0.09	positive	deteriorating
8	0%	Very Long Bonds	0%	89%	very bullish	45.5	0.81	positive	deteriorating

	YTD	Description	13wk	26wk	39wk	52wk	3Y
1	**52%**	**Gold Bullion**	**18.5%**	**23.6%**	**40.3%**	**45.3%**	**100.0%**
2	32%	Emerging Markets	12.0%	22.4%	27.6%	23.5%	52.5%
3	27%	Developed Markets	6.6%	11.4%	21.1%	21.2%	45.3%
4	15%	US Large-caps	6.6%	19.1%	12.5%	17.8%	59.8%
5	10%	US Small-caps	10.3%	20.8%	7.0%	8.6%	45.2%
6	5%	Very Long Bonds	3.8%	4.9%	3.3%	-3.0%	10.1%
8	3%	Short Income	0.8%	1.8%	2.9%	4.0%	9.7%

Public Sector Strategies-- Thrift Savings Plan

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. **In 2025, the TSP** Timing Model is beating moderate Lifetime Funds but lags the most aggressive. For buy and hold (Lifetime) investors: Relative strength in equities over income means aggressive portfolios are out-performing moderate and conservative Lifetime choices.

The TSP Model: SWITCH to Large-cap US Stocks (Fund C)

THIS WEEK was the 1st Risk-OFF week after one MIXED-Risk: US Stocks DOWN, Foreign Stocks MIXED, Bonds DOWN, and Gold FLAT. TSP Moose ***SWITCHES to Large-cap US Stocks (Fund C)*** via CI on 11/7/25 (@107.42).

Fund C takes the #1 spot this week (11/7) with the highest confidence index, technical strength, rate of change, and price momentum. It replaces Fund I, which has been the top choice since April. Although Fund S is tied for first per the confidence index it lags Fund C in technical strength, RSI and PMO which are more current indicators (0-20 days) than ROC and CI% (130-155 days). That PMO for both F and S is deteriorating and that both were down on the week suggests waiting for this week's sell-off to abate to buy in. No funds in the model are overbought or oversold. Moreover, all of the funds in the TSP universe are working off buy-stops this week.

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**US Large-caps (C)**	**24%**	**101%**	**very bullish**	**48.86**	**0.87**	**positive**	**deteriorating**
2	100%	US Small-caps (S)	24%	86%	very bullish	46.45	0.23	positive	deteriorating
3	98%	Lifetime 2060	23%	99%	very bullish	48.26	0.72	positive	deteriorating
4	96%	Internat stocks (I)	22%	97%	very bullish	48.88	0.70	positive	deteriorating
5	81%	Lifetime 2050	19%	98%	very bullish	48.47	0.63	positive	deteriorating
6	71%	Lifetime 2040	17%	97%	very bullish	48.72	0.57	positive	deteriorating
7	59%	Lifetime 2030	14%	97%	very bullish	49.22	0.50	positive	deteriorating
8	27%	Long-term Inc (L)	6%	96%	very bullish	51.85	0.31	positive	deteriorating
9	10%	Fixed Income (F)	1%	87%	very bullish	50.09	0.23	positive	deteriorating
10	0%	Short-term Inc (G)	0%	88%	very bullish	100.00	0.15	positive	improving

TSP RECENT PRICE ACTION: Fund I continues to lead performance year-to-date, over 52 weeks and over 39-weeks. Fund C, however, leads over 26 weeks and 13 weeks with Fund S a close second. The models are more or less based on six-month momentum, so Fund C has the best answer to the question "what have you done for me lately?"

TSP Lifetime & Index Funds: Performance Progression

	Fund	13wk	26wk	39wk	52wk	YTD	3Y
1	Internat stocks (I)	5.6%	14.7%	**21.5%**	**21.0%**	**26.7%**	46.7%
2	Lifetime 2060	6.1%	18.1%	14.8%	15.6%	18.7%	53.1%
3	Lifetime 2050	5.3%	15.4%	13.0%	13.9%	16.4%	45.2%
4	**US Large-caps (C)**	**6.5%**	**20.2%**	12.7%	14.1%	15.6%	**57.7%**
5	Lifetime 2040	4.8%	13.7%	11.9%	12.8%	14.9%	40.5%
6	Lifetime 2030	4.2%	11.8%	10.5%	11.5%	13.1%	35.0%
7	US Small-caps (S)	5.8%	20.1%	5.5%	6.9%	10.4%	52.3%
8	Long-term Inc (L)	2.5%	6.5%	6.7%	7.8%	8.1%	20.1%
9	Fixed Income (F)	2.1%	4.1%	5.9%	6.0%	6.8%	14.3%
10	Short-term Inc (G)	1.1%	2.2%	3.3%	4.5%	3.8%	9.1%

***Stop-loss hit,** no buy-stop since—default to highest ranked alternative. (Published stop-loss price is as of previous Friday close. It may change daily and as such, is published as an initial reference only.) **overbought*

TSP Moose v. TSP Lifetime Funds: Yearly Performance

Strategy	2025 YTD	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**18.7%**	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
TSP Moose	16.7%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2050	16.4%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	14.9%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	13.1%	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. When the reckoning does eventually come, however, it can be far worse, shaking our national institutions as well as the economy.

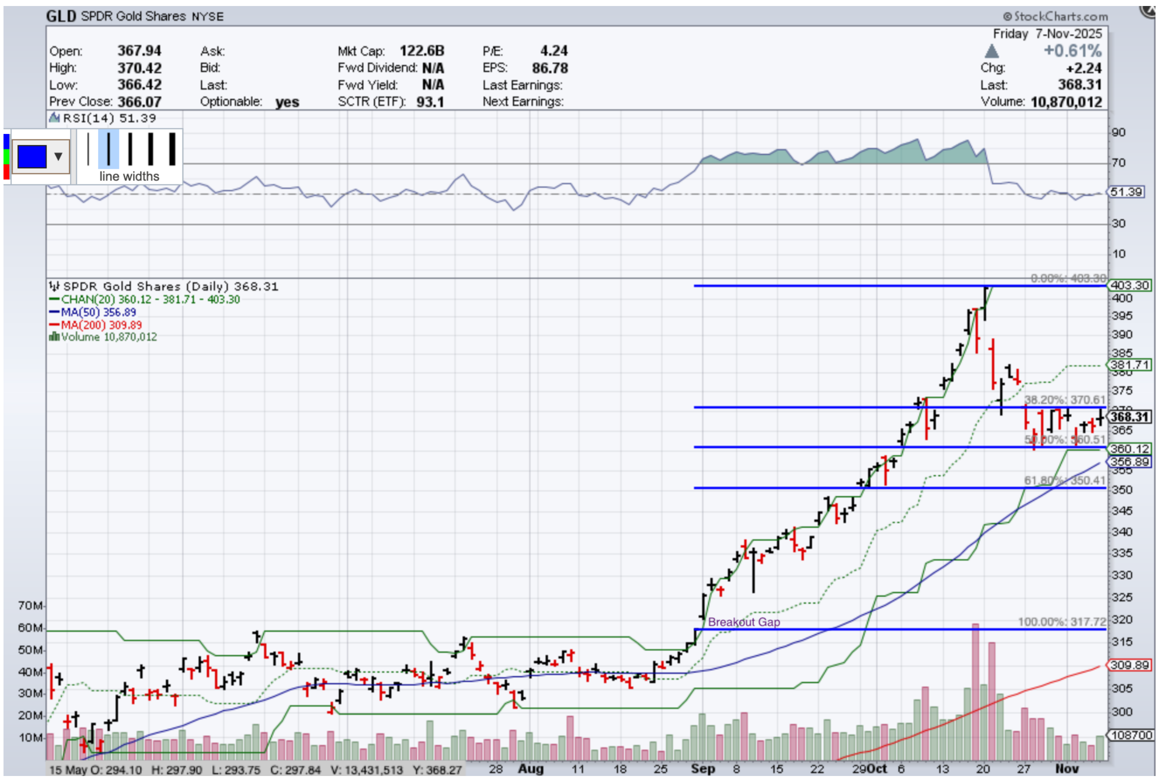
Moospeak

Anatomy of a Golden Goose

It is no secret: the big winner this year has been gold. Our equity index models have been respectable, up over 15% year-to-date. Normally that's a solid year, but when gold (up almost 4 times as much) gets thrown into the mix, stocks, especially US stocks, begin to look a little lame in comparison.

The Index Model has returned close to 50% this year. It has only made five switches all year, the last one into gold on August 28th. Before that, the model exited US stocks in January and waffled between gold and developed international equities. The two switches to gold (1/8 and 8/28) goosed the model big time, adding 19% and 18% respectively. The two switches to EAFE equities only added 8% total. One switch to gold (-3%) was a false signal.

The outsized gains and inordinate market stability we've seen in 2025 are uncommon. It is, however, estimated that 65%-75% of trading volume in the US, Europe, and Asia these days is now algorithmic. Depending on who you talk to, computers are now making three-fourths of equity trading decisions. The algorithms, like Decision Moose, work off tried and true analytical methodologies popular among investment analysts well before computers were in every home.



Gap analysis, price channels, RSI, and Fibonacci retracement are four favorite technical methodologies that can tell us where we are in our investment and where we might be headed. The September switch to gold, and its recent correction are very instructive. Technically, it is behaving in textbook fashion (so far).

(There is a chart attached to the pdf version of this Moospeak, illustrating what follows, if you're interested, but I was unable to include it in this space by my deadline.)

The most recent switch to gold occurred when GLD triggered a buy-stop on August 28 as previous hold EFA slid lower. The next day GLD confirmed the switch by breaking out above its range. The following Monday (9/2) GLD posted a Breakout gap on higher volume, which became the first day of GLD's 7-week overbought condition per RSI.

Seven weeks later GLD peaked on October 20. After a quick 9% retreat, GLD bottomed (10/28) 10.7% off its top. The price has wandered between GLD's 38% (370), and its 50% (361) Fibonacci retracement levels ever since.

Conclusion: There appears to be strong support at the 50% reversal level (360), which is also the 20-day stop-loss. The 50-day SMA @ 357 offers fall-back support just below that. The next (down 62%) Fibonacci level is 350. An 11%-to-13%

correction looks most likely at this point then. Worst case, however, GLD drops 21% from its top and fills the breakout gap at 318. Thing is, there has been no hurry to buy or sell this dip. After correcting, GLD has spent two weeks between 360 and 368.

One headwind stifling a recovery in GLD is the US Dollar, which has been headed higher since October 17 propelled by rising bond yields. The Fed’s more hawkish stance since the 10/29 FOMC meeting is one reason for that. Another reason is that the US government is no longer spreading Dollars around to its abnormal extent, limiting supply. A third reason is the Trump tax cut which is causing a surge in cap spending and upping the demand for money.

Finally, uncertainty over tariffs’ constitutionality also added to economic uncertainty this week. Tariffs are a tax and as such they weaken the dollar. If the Supreme Court strikes them down, even in part, the Dollar could benefit, at least until the administration finds a work around.

This week, alternatives to gold (equities and bonds) are in a corrective swoon too. The difference is that gold’s correction appears to have stabilized above its 20-day stop-loss at this point. Equities and bonds may still have potential downside. That said, US equities are playing catch up with their international cousins as the Fed bring US interest rates more into line with the rest of the world.