

# **MOOSECALLS**

Global Financial News & Analysis  
JAN.30.2026 through FEB.08.2026

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## EXECUTIVE SUMMARY: JAN.30.2026

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—MIXED Risk (2)

**THIS WEEK was the second MIXED-risk week in a row. Foreign Stocks UP, US Stocks DOWN, US Bonds DOWN and Gold DOWN.**

#### Fast Times At Golden High

Overbought gold bullion (-2.8%) tanked almost 16% top to bottom between Thursday and Friday but ended up less than 3% lower on the week. We also got a new Fed chair nominee, and another government shutdown to ponder this week. (See Moospeak.) Meanwhile, Japan (+1.4%) led foreign equities higher this week as rumors of financial intervention to shore up the Yen continued to linger. Equities in Latin America (+1.1%) and Europe (+0.9%) were close behind, but Asia-Pacific (+0.1%) slowed. US equities were mixed with large caps (+0.4%) regaining half the prior two week's losses and small caps (-1.9%) backing off three weeks of work as well. US long bonds (-1.7%) got hammered as interest rates rose. The 10-year yield rose 13bps to 4.25% and the 30-day rose 7 to 3.58%. That steepened the yield curve to 68 bps. The Dollar (-0.2%) continued to lose ground thanks to US tariffs and to the Yen intervention concerns. Commodities (+1.0%) led by oil (+7.5%) also rallied on the weaker dollar. No model changes this week.

**GLOBAL OUTLOOK IS BROADLY POSITIVE 4 of 4).** The Baltic Dry Index along with copper and oil prices and US bond yields are all higher—very positive indications for the global economy.

**INFLATION:** Consumer Inflation Steady; PPI Inflation turns hot. Commodity and oil prices up for a fifth week due to concern over political developments in Venezuela, Iran and the Black Sea. It has pushed the Fed Check into hawkish mode.

**US ECONOMIC DATA:** Very good weekly report. Durables, Home Prices, Factory Orders Up, Consumer Confidence Slides.

**FEDERAL RESERVE:** Kevin Warsh has been tapped to replace Jerome Powell in May as Fed chair. The Fed Check has turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) No rate hike is expected per CME futures, however. The next 25 bps Fed rate cut (likelihood >60%) is expected June 17 (62%). No change at the January FOMC meeting. The Fed's balance sheet stands at \$6.58 trillion, with the Fed Funds Rate at 3.50-3.75%.

**INVESTMENT STRATEGIES:** (1) The Index Model is outperforming all competitors in 2026. It remains in gold (GLD) after switching from EFA via buy-stop on August 28. It surged this week and is overbought again. (2) The US Equity Strategy (USES) Model bought into US Growth in December. No change since. IUSG came close to a stop loss this week but rebounded away. SPY did as well. US stocks are not the best equity choice, but they still beat cash. (3) The Thrift Savings Plan (TSP) switched out of US large-cap stocks (Fund C) and into Fund (I) International stocks this week.

## GLOBAL OUTLOOK: POSITIVE (4 of 4)

Indications are uniformly positive for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index rose to 2128 this week, and is higher 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 at 66.21 rose this week, up 6% in the latest quarter, a positive signal.** (Oil remains below its 2022 peak @\$130, but well above its 2020 Covid lows @\$10.)

Our proxy for global construction, **copper (\$6.92) rose this week, and remains 16% higher this quarter, a positive signal.**

Domestically, **10Y US bond yields rose 2 ticks to 4.26% this week and are up 16 bps over the past 13 weeks, a positive 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  
JAN.30.2026

**This week: Gold leads in regional global momentum since 11/27/2025. (The Global 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

	CI%	FUND	TS+	READ	RSI	PMO	+/-
1	100%	Gold Bullion (GLD)	130%	very bullish	53.9	5.19	improving
2	95%	Latin America (ILF)	130%	very bullish	70.4	5.14	improving
3	68%	Asia Pacific ex-Japan (AAXJ)	114%	very bullish	61.6	2.75	improving
4	63%	US Small-caps (IWM)	102%	very bullish	50.5	1.84	deteriorating
5	62%	Japan (EWJ)	110%	very bullish	64.0	2.41	deteriorating
6	41%	US Large-caps (SPY)	102%	very bullish	54.5	0.65	deteriorating
7	37%	Europe (IEV)	110%	very bullish	61.8	2.09	improving
8	6%	Very Long US Bonds (EDV)	30%	bearish	42.8	-0.36	improving
9	1%	Short US Income (SGOV)	100%	very bullish	91.4	0.10	improving
		US Dollar	6%	very bearish	40.6	negative	deteriorating
		Commodities	111%	very bullish	61.9	positive	improving
		US Oil	90%	very bullish	71.8	positive	improving
		Ryan/CRB	94%	HIKE RATES			
		Volatility	17.0	risk appetite on			

## GLOBAL RANKING: TECHNICAL OVERVIEW

### #1 GOLD Relieves Itself--

GLD fell 2.8% this week after gaining 8.7% last week. That left gold very bullish and ranked **#1 globally**, making it more attractive than cash. Gold is up 21.2% for the quarter and up 72.1% for the year.

### #2 LATIN AMERICA Cools Its Jets--

ILF rose 1.1% this week after gaining 7.7% last week. That left it very bullish and ranked **#2 globally**, making it more attractive than cash. The index is up 27.8% for the quarter and up 67.2% for the year.

### #3 ASIA-PACIFIC No Longer Overbought--

AAXJ rose 0.1% this week after gaining 1.4% last week. That left it very bullish and ranked **#3 globally**, making it more attractive than cash. The index is up 7.3% for the quarter and up 43.5% for the year.

### #4 US SMALL-CAPS Continue Dip--

IWM fell 1.9% this week after losing 0.4% last week. That left it very bullish and ranked **#4 globally**, making it more attractive than cash. The index is up 4.1% for the quarter and up 15.7% for the year.

### #5 JAPAN Stabilizes--

EWJ rose 1.4% this week after losing 1.1% last week. That left it very bullish and ranked **#5 globally**, making it more attractive than cash. The index is up 10.7% for the quarter and up 39.1% for the year.

### #6 US LARGE-CAPS Track 50-Day--

SPY rose 0.4% this week after losing 0.4% last week. That left it very bullish and ranked **#6 globally**, making it more attractive than cash. The index is up 1.6% for the quarter and up 16.8% for the year. US equity sector momentum is positive, and breath stays broad and steady-- 89% of our sectors are buy or hold (L89%). **"Buys"** include Gold Miners, Semiconductors, Biotech, Bitcoin, and Technology. **"Avoids"** include REITs, Healthcare Providers, Consumer Staples, Food & Beverage

### #7 EUROPE Backs Off Davos High--

IEV rose 0.9% this week after gaining 0.7% last week. That left it very bullish and ranked **#7 globally**, making it more attractive than cash. The index is up 9.4% for the quarter and up 35.6% for the year.

### #8 LONG BOND Momentum Goes Negative--

EDV fell 1.7% this week after gaining 0.2% last week. That left it bearish and ranked **#8 globally**, though still more attractive than cash. Long bonds are down 7.4% for the quarter and down 3.0% for the year as yields have risen.

### #9 Cash and Bond Yields Rise--

The US Treasury 10-year yield rose 13 ticks to 4.25 and the 3-month yield rose 7 ticks to 3.58, with the yield curve steepening to 68 basis points. That reduces the odds of a recession in late 2026. Cash (SGOV) rose 0.1% this week after gaining 0.0% last week. That left it ranked **#9 globally**. The index is up 0.3% for the quarter and up 0.3% for the year.

### Overbought COMMODITIES Plunge--

**Crude Oil:** Meanwhile, oil prices (USO) rose 7.5% this week, following last week's gain of 3.2%. Crude is currently very bullish. That leaves US oil prices up 12.6% for the quarter (13 weeks), and up 2.2% for the year (52 weeks).

### US DOLLAR Support Halts Plunge--

**UUP** fell 0.2% this week, after losing 1.9% last week. It is currently very bearish—down 3.8% for the quarter (13 weeks), and down 8.6% in the last year (52 weeks).

## US ECONOMY: GOV'T DATA

### Durables, Home Prices Factory Orders Up, Confidence Slides

US Economy:  
week of  
JAN.30.2026

#### THIS WEEK: BROADLY GOOD

**THE GOOD:** WEEKLY EIA Crude Oil Inventories (-2.30M) shift to draw from build as crude prices jump. WEEKLY Continuing Claims (1827K) down from prior. JAN FOMC Decision (no rate change as expected.) 3.50-3.75%. JAN Chicago PMI (54.0) turned positive, beating consensus and prior. NOV Durable Orders (5.3%) up from prior and unexpectedly positive. NOV FHFA Housing Price Index (0.6%) rose faster than forecasts and prior. NOV S&P Case-Shiller Home Price Index (1.4%) beat consensus and previous. NOV Factory Orders (2.7%) up from prior negativity. NOV Wholesale Inventories (0.2%) in line modest build.

**THE BAD:** WEEKLY Initial Claims (209K) slightly higher than expected and prior. JAN Consumer Confidence (84.5) below consensus and prior. NOV Trade Balance (-\$56.8B) deficit unexpectedly increases.

**THE UGLY:** Nothing

## US ECONOMY: INFLATION DATA

### Consumer Inflation Steady, Producer Index Heats Up

US Inflation:  
week of  
JAN.30.2026

**DEC CPI (+0.3%) hot m-t-m. (1-yr = 2.7%)**  
**DEC Core CPI (+0.2%) hot m-t-m. (1-yr = 2.6%)**  
**DEC PPI (+0.5%) hot m-t-m. (1-yr = 3.0%)**  
**DEC Core PPI (+0.6%) hot m-t-m. (1-yr = 3.2%)**

NOV Import Prices (+0.4%) hotter than prior m-t-m. (1-yr = 0.1% cool)  
NOV Export Prices (+0.5%) hotter than prior m-t-m. (1-yr = 2.6% in-line)

NOV PCE Price Index (+0.2%) in line. (1yr 2.7%)  
NOV Core PCE Price Index (+0.2%) In line. (1yr 2.8%)  
OCT PCE Price Index (+0.2%) in line with consensus cooler than prior. (1yr 2.7%)  
OCT Core PCE Price Index in line with consensus and prior. (1yr 2.8%)

Q3 GDP-Adv (+4.3%) up from Q2 (+3.8%).  
Q3 GDP Deflator-Adv. (+3.8%) hotter than Q2 (+2.1)  
Q3 GDP – R3 (+4.4%) beat consensus.  
Q3 GDP Deflator – R3 (+3.8%) in line.

Q3 Employment Cost Index (+0.8%) up in line with expectations.

**Q3 Productivity- (+4.9%) solid, revised in line.**

**Q3 Unit Labor Costs- (-1.9%) cool, revised in line.**

**Q3 Current Account Balance** (-\$226.4B) deficit below previous and expectations.

## US ECONOMY: RECESSION & GDP INDICATORS

### NY FED: RECEDING MINIMAL RECESSION THREAT

**US recession chances one year out: 20.36% (DEC 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.

**ATLANTA FED: US Q4 GDP NOW Backs to 4.2%** Atlanta Fed Current GDP Model (1/29/2026): **Q4 Annualized 4.2% (Last week: Q4 Annualized +5.4%)**

## US ECONOMY: FEDERAL RESERVE FED BALANCE SHEET (\$6.58T); FFR @ (3.50-3.75%)

Federal Reserve:  
week of  
JAN.30.2026

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 6.58T, (unch .00) in the latest week (1/21/2025). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change at the January FOMC meeting. The Fed's balance sheet stands at \$6.58 trillion, with the Fed Funds Rate at 3.50-3.75%.

The next FOMC meeting is March 18. Jerome Powell will leave in May as Fed chair. Kevin Warsh has been tapped to replace him. Meanwhile, futures make a 2026 rate cut unlikely until Chairman Powell is gone. Odds don't exceed 50% until June's 62% CME read.

Just as well. The Fed Check at 94% has turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at 3.539%, however, is about 8 bps LOWER than the Fed overnight rate (3.625%), implying US domestic conditions should merit at least one more Fed rate cut. That Fed rate cut, (likelihood >60%) is still expected June 17.

The 3m-10y yield curve steepened this week, going from a positive slope of 66 bps to one of 68 bps, as the 10-year US Treasury yield rose 2 bpt to 4.26%, and the 3-month cash yield rose 2 ticks to 3.58%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The 30d-10y median yield is below its 200-day and still falling, leaving our interest rate signal for stocks bearish.

**3-month SOFR yield at 3.66% is up** this week, while the 3-month T-bill at 3.68% is up. That puts the SOFR/T-Bill (SOF-T) spread at 7 basis points, below its 200-day average of 20 bps. **A falling SOF-T spread signals a safer, more confident financial system.**

**FED OVERALL THIS WEEK: FELL INTO NEUTRAL (0) LW: NEUTRAL (0)**

**Rate Posture: (Cutting) DOVISH (+1),**  
**Balance Sheet (Steady) NEUTRAL, (0),**  
**Fed Speak NEUTRAL (0),**  
**Fed Check HAWKISH (-1)**

**Latest FOMC Assessment (2026.1.28)** Available indicators suggest that economic activity has been expanding at a solid pace. Job gains have remained low, and the unemployment rate has shown some signs of stabilization. Inflation 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. In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent. In considering the extent and timing of 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 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 consider a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. **(Next FOMC meeting: 2026.3.18)**

## US Currency Market: US DOLLAR Support Halts Plunge



**US Dollar:** UUP fell 0.2% this week, after losing 1.9% last week. It is currently very bearish—down 3.8% for the quarter (13 weeks), and down 8.6% in the last year (52 weeks). At \$26.85, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is negative and deteriorating. RSI14 at 40.6 is neither overbought nor oversold.

A two-week plunge in an overbought US Dollar accompanied a parabolic surge in gold and precious metals. The chaos finally slowed this week when the buck caught oversold support just below its 200-day. The Fed's Dollar rate checks vs the Yen last week suggesting some sort of US and Bank of Japan central bank intervention to arrest the slide in the Yen may have added to the Dollar weakness. Additional tariff threats out of the White House, in support of political rather than economic ends probably didn't help. US tariffs dampen US economic performance and weaken the Dollar. Basically, the

Dollar is now worth about what it was when the tariffs were first announced last April-- 7% weaker than when Trump took office. A weaker Dollar often coincides with easier US financial conditions, improving global liquidity and stronger commodity and emerging market trade balances and US tariffs— all of which we have seen of late. It primarily benefits emerging markets, commodity exporters, and value/cyclical foreign markets. No surprise that gold and emerging markets were excelling before their latest set-back. Most major currencies are bullish or neutral versus the Dollar, only the Yen is bearish. As for other major currencies vs the Dollar, the Australian dollar is very bullish and up 3.2% this week. The British pound is very bullish and up 1.9%. The Canadian dollar is very bullish and up 1.7%. The euro is very bullish and up 2.0%. The Swiss franc is very bullish and up 2.7%, and the Japanese yen is bearish but up 1.4%.

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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)	very bullish	US\$ Investors outperform hedged
British Pound (FXB)	very bullish	US\$ Investors outperform hedged
Canadian Dollar (FXC)	very bullish	US\$ Investors outperform hedged
Euro Dollar (FXE)	very bullish	US\$ investors outperform hedged (IEV=HEDJ)
Swiss Franc (FXF)	very bullish	US\$ investors outperform hedged
Japanese Yen (FXY)	bearish	US\$ investors underperform hedged (EWJ<DXJ)
US Dollar	very bearish	

## US Bond Market: #8 LONG BOND Momentum Goes Negative



**US Long Treasury Bonds: EDV** fell 1.7% this week, after gaining 0.2% last week. That left it bearish and ranked #8 globally and more attractive than cash. Long bonds are down 7.4% for the quarter (13 weeks) and down 3.0% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 13 ticks to 4.25 and the 3-month yield rose 7 ticks to 3.58, with the yield curve steepening to 68 basis points. That reduces the odds of a recession in late 2026. At \$64.85, EDV is below its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum (PMO) is negative but improving, and its 14-day RSI of 42.8 means EDV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

Bond prices, after a long ride up have corrected about 12% since the October Fed rate cut, putting bond prices back where they

were when Trump took office. Lower bond prices usually reflect an improving economy, but truncated government data hasn't provided much definitive clarity to the economic situation. It is also difficult to gauge where we are headed when we don't know exactly where we've been for the previous two years and have been taught not to trust the data we're being given. December payrolls (50K) were anemic, but no longer negative, and the unemployment rate fell. Moreover, Q4 "GDP Now" estimates remain above 4%. Q4 productivity has soared, sending unit labor costs lower. Tariffs cut the October monthly trade deficit (-\$29B) to half that of the month before (-\$59B). Hard to say what this weekend's government shutdown will mean, but if it is short, there are signs we could be off to the races in 2026.

**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 Track 50-Day



**US Large-Cap Stocks: SPY** rose 0.4% this week, after losing 0.4% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 1.6% for the quarter (13 weeks), and up 16.8% for the year (52 weeks). At \$691.97, SPY is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 54.5 means SPY is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

SPY touched a new high to open the week but did little after that. Still, it was a gain after two weeks of losses. Nobody got rich but the trend in US equities is still up. Uncertainties regarding the ongoing Federal shutdown this weekend remain, but the larger issues of taxation, fiscal spending, and the debt ceiling are settled, and the new tax

regime will be kicking in soon. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish. On the bearish side, self-inflicted taxes on imports have kept US stocks from going through the roof, helping emerging markets, at least pending the Supreme Court ruling on tariffs.

**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 Continue Dip



**US Small-Cap Stocks: IWM** fell 1.9% this week, after losing 0.4% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is up 4.1% for the quarter (13 weeks), and up 15.7% for the year (52 weeks). At \$259.65, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 50.5 means IWM is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

January is considered the season for small caps, especially if interest rates are expected to fall. With rates rising over the last couple of weeks, no surprise small caps are slipping. Small caps were among the strongest assets we track halfway through January, but the Federal shutdown this weekend isn't helping, not did new White House

tariff threats against political rather than economic ends. Uncertainties regarding a Federal shutdown, taxation, fiscal spending, and the debt ceiling are behind us, and the new tax regime will be kicking in. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish. On the bearish side, self-inflicted taxes on imports have kept US stocks from going through the roof, helping emerging markets, at least pending the Supreme Court ruling on tariffs.

**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 Sectors: Gold Miners, Semiconductors, Oil Equip & Serv, Biotech, Pharma,

The table below ranks 25 primary US sector ETFs in order of relative momentum this 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 momentum is positive; breath is broad and improving--81% of our sectors are buy or hold (L81%) with **BUYS** now 48% (L33%) and **HOLDS** now 33% (L48%). **AVOIDS** are currently 19% (L19%). Potential "Buys" include Gold Miners, Semiconductors, Biotech, Pharma, Oil Equipment & Services. "Avoids" include Food & Beverage, Insurance, Software, Medical Devices, and Consumer Staples.

CI%	Description	ROC	TS	READ	RSI		PMO	+/-	Condition
100%	Gold Miners (GDX)	100%	141%	very bullish	45.9		7.28	positive	improving
62%	Semiconductors (SMH)	56%	121%	very bullish	59.2		3.98	positive	improving
46%	US Oil Equip & Serv (IEZ)	43%	131%	very bullish	71.1	OB	5.60	positive	improving
41%	Biotechnology (IBB)	37%	111%	very bullish	50.2		1.38	positive	deteriorating
35%	US Pharmaceuticals (IHE)	31%	109%	very bullish	56.5		1.55	positive	deteriorating
32%	US Aerospace & Def (PPA)	29%	107%	very bullish	58.8		3.71	positive	deteriorating
25%	US Technology (IYW)	22%	82%	very bullish	45.7		0.22	positive	improving
25%	Bitcoin (BLOK)	19%	52%	neutral	40.6		0.65	positive	deteriorating
22%	Telecommunications (FCOM)	20%	105%	very bullish	64.8		0.98	positive	improving
21%	KB Banks (KBE)	21%	106%	very bullish	55.1		1.67	positive	deteriorating
19%	Home Construction (XHB)	16%	83%	very bullish	46.2		1.38	positive	deteriorating
19%	Transports (IYT)	17%	94%	very bullish	50.8		1.13	positive	deteriorating
18%	Capital Markets (KCE)	16%	96%	very bullish	50.5		1.56	positive	deteriorating
18%	<b>S&amp;P 500 (SPY)</b>	17%	102%	very bullish	54.5		0.65	positive	deteriorating
17%	Retail (XRT)	15%	81%	very bullish	41.5		0.95	positive	deteriorating
16%	Industrials (XLI)	16%	105%	very bullish	60.3		1.89	positive	deteriorating
15%	Media Portfolio (XLC)	15%	87%	very bullish	64.8		0.57	positive	improving
14%	Select Materials (XLB)	15%	112%	very bullish	63.0		3.06	positive	improving
10%	Oil/Gas Expl & Prod (XOP)	5%	90%	very bullish	71.1	OB	1.80	positive	improving
8%	Utilities (XLU)	9%	57%	neutral	53.4		-0.03	negative	improving
4%	US Health Providers (IHF)	-3%	37%	bearish	33.3		-0.65	negative	deteriorating
3%	DJ Internet Index (FDN)	3%	26%	bearish	41.0		-0.74	negative	improving
3%	REITs (VNQ)	2%	75%	bullish	54.9		0.37	positive	improving
2%	<b>CASH</b>	2%	79%	bullish	64.7		0.03	positive	improving
1%	Consumer Staples (XLP)	4%	99%	very bullish	69.8		1.77	positive	improving
1%	US Medical Devices (IHI)	-1%	26%	bearish	37.3		-0.88	negative	deteriorating
0%	Software (XSW)	-4%	11%	very bearish	26.0		-2.19	negative	deteriorating
-1%	KBW Insurance (IAK)	0%	35%	bearish	51.3		-0.43	negative	deteriorating
-2%	Food & Beverage (PBJ)	2%	100%	very bullish	71.0	OB	1.56	positive	improving

## US Sector Top Performers: YTD (1/30/26)

YTD	Description	THISw	LASTw	13wk	26wk	39wk	52wk	3Y
22.2%	US Oil Equipment & Serv (IEZ)	2.3%	-4.4%	31.7%	37.8%	60.2%	26.3%	23.5%
12.0%	Semiconductors (SMH)	0.8%	0.1%	19.5%	40.7%	91.3%	69.2%	111.9%
11.5%	US Aerospace & Defense (PPA)	-1.3%	2.2%	13.1%	19.6%	46.3%	47.8%	95.2%
11.1%	Oil/Gas Explore & Produce (XOP)	3.7%	-3.8%	13.1%	10.4%	26.3%	4.1%	10.6%
9.8%	Gold Miners (GDX)	-12.0%	-10.1%	30.3%	78.8%	95.5%	152.8%	245.2%
8.6%	Select Materials (XLB)	-1.4%	-2.6%	12.2%	9.0%	21.1%	13.5%	24.1%
7.5%	Consumer Staples (XLP)	0.7%	-1.0%	5.6%	4.1%	5.6%	8.7%	22.2%
6.9%	Food & Beverage (PBJ)	2.0%	-1.2%	5.5%	-0.6%	4.2%	1.7%	10.1%
6.7%	Industrials (XLI)	0.7%	1.6%	8.6%	8.6%	29.7%	21.8%	50.0%
5.3%	Home Construction (XHB)	-2.9%	2.5%	0.6%	3.0%	16.4%	0.5%	16.1%

## INTERNATIONAL MARKETS: #1 GOLD Relieves Itself



**Gold Bullion:** GLD fell 2.8% this week, after gaining 8.7% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 21.2% for the quarter (13 weeks), and up 72.1% for the year (52 weeks). At \$444.95, GLD 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 53.9 means GLD is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

GLD plunged 16% top to bottom on Thursday and Friday but ended less than 3% down on the week. Maybe it was the disappointing realization that the US was not really about to attack NATO and Denmark to forcibly

annex a massive sheet of ice spuriously marketed to the world for centuries as a "green land". Maybe someone did their due diligence. It's not unlike the kind of thing that happened when Europeans thought tulips were worth a thousand dollars a pop back in 1637. The current President of the US is the self-described poster-child for an "American Golden Age" and where he treads, gold has license to go nuts. So it has. That's in part in jest-- but Trump Derangement Syndrome does exist. It is a global mania that properly marketed, has been known, as of last week, to create a buying frenzy in gold. Gold represents safety. Trump is a disruptor, with new ways of doing things, (and a need to hedge the uncertainty with gold). Cheaper US money is potentially coming, inflationary and good for gold. Another rate cut is expected in the summer. Meanwhile, we have a large persistent US deficit, and geopolitical tension in Iran, Venezuela, and the Black Sea. Traditional threats (global recession or a severe equity market panic) evidenced by equity margin calls are not in evidence. This week is the best buy-the-dip moment in gold and gold mining since last fall.

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## INTERNATIONAL MARKETS: Overbought COMMODITIES Plunge



**Commodities:** A very bullish CRB rose 1.0% this week after gaining 4.4% last week. That left commodity prices up 8.8% for the quarter (13 weeks), and up 11.1% for the year (52 weeks). At \$24.43, the CRB 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 61.9 means the CRB is neither overbought nor oversold.

**Crude Oil:** Meanwhile, oil prices (USO) rose 7.5% this week, following last week's gain of 3.2%. Crude is currently very bullish. That leaves US oil prices up 12.6% for the quarter (13 weeks), and up 2.2% for the year (52 weeks). At \$79.52, USO is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its 14-day RSI of 71.8 means oil is overbought. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while

reducing the region's trade competitiveness.

Global security concerns devolving from unrest in Iran and the Black Sea is impacting oil prices. While the US takeover of Venezuela's oil resources will likely increase oil supply and lower prices later in 2026, as "drill, baby, drill" does the same in the US, current street violence in Iran could mean prices go higher near term. The end of the summer driving season helped drop West Texas Intermediate crude prices into the mid-fifties in October. Unfortunately, sporadic geopolitical uncertainty in the Middle East and in Ukraine continues to interrupt that progress. 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 Backs Off Davos High



**European Large-Cap Stocks:** IEV rose 0.9% this week, after gaining 0.7% last week. That left it very bullish and ranked 7 globally and more attractive than cash. The index is up 9.4% for the quarter (13 weeks), and up 35.6% for the year (52 weeks). At \$71.73, 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 61.8 means IEV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

Europe hit a new buy-stop on Tuesday but settled lower by Friday. Importantly, the direction is up. Fed rate cuts have prompted IEV's take-off for months and it is still going strong.

Recent European Central Bank communication suggests Euro rates are likely to remain on hold, with any future moves dependent on inflation and growth data. There are no strong indications of imminent cuts, but there is a possible shift toward rate hikes by 2027 if conditions warrant. There is continued emphasis on meeting-by-meeting decision making, inflation near 2%, and vigilance regarding currency impacts. Ongoing work on digital euro development and evolving monetary policy operations is underway. NOTE: A neutral to slightly bullish Euro vs. Dollar keeps IEV slightly underperforming 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: #4 JAPAN Stabilizes



**Japanese Stocks: EWJ** rose 1.4% this week, after losing 1.1% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 10.7% for the quarter (13 weeks), and up 39.1% for the year (52 weeks). At \$85.72, EWJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 64.0 means EWJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

Japanese equity strength is due to Yen weakness boosting exporters and raising the yen value of overseas earnings for Japan's large export-heavy companies. Lately, however, the weak yen has fueled rumors and

stoked worries about Fed and BoJ concern. The Fed carried out Dollar rate checks vs the Yen last Friday suggesting some sort of US and Bank of Japan central bank intervention to arrest the slide in the Yen. Right now it's just rumors, but anytime the financial systems of the two largest free economies in the world require an intervention, things can go south, so pay attention. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ) of Japanese equities preferable to the dollar version we track (EWJ). Also, expect recent upside gaps to be filled.

**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 No Longer Overbought



**Asia-Pacific ex-Japan: AAXJ** rose 0.1% this week, after gaining 1.4% 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 43.5% for the year (52 weeks). At \$100.29, 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 61.6 means AAXJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

Cheaper US money is good for US export demand everywhere. It puts Asian equities in the number 3 slot in the regional index model and better than cash. It lags #1 Gold but not by much. US tariffs are the reason

foreign stocks have been outperforming. The tariff situation, however, is more of a problem for Asian exporters (particularly China and India) than it is for other offshore exporters. Even so Asian equity markets (AAXJ +36) remain comparably attractive to US stocks (VTI +10). South Korea (EWY +66) is a standout and appears ready to correct. Hong Kong (EWH +13) and Taiwan (EWT +16) are doing well. Singapore (EWS +6) and China (FXI +4) lag the US. Australia (EWA 6) and India (PIN 3) are struggling 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 Cools Its Jets



**Latin America 40: ILF** rose 1.1% this week, after gaining 7.7% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 27.8% for the quarter (13 weeks), and up 67.2% for the year (52 weeks). At \$35.36, ILF 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 70.4 means ILF is overbought. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

Cheaper US money is good for US export demand everywhere. It briefly propelled Latin equities into the number 1 slot in the regional index model in December, and it remains in #2 this week. US tariffs are the reason foreign stocks are

outperforming US equities, and the tariff situation is less of a problem for Latin exporters than it is for other regions. Cheaper US money is good for Latin stocks, and US consumers and business. Latin stocks (ILF +42 have outperformed their US cousins (VTI +10 since the tariff announcement 4/25. Chile (ECH +51), Colombia (COLO +48), Brazil (EWZ +40), and Mexico (EWW +25) are strongest, while Argentina (ARGT +16) continues to dig itself out of its most recent leftist hole. Canada (EWC +16) which is not in ILF, but a key player in the Americas continues to beat most players in the hemisphere despite facing 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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## 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)

Among Buy & Hold strategies, Aggressive growth is currently the more profitable choice over the past 52, 39, 26, and 13 weeks—not to mention the last three years. It has a slightly higher PMO than moderate B&H but not by much. Technical readings are comparable with the prices of both currently above their respective 50-day and 200-day averages.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
<b>80%</b>	<b>(AOA) Aggressive Growth</b>	<b>13%</b>	<b>106%</b>	<b>very bullish</b>	<b>58.8</b>	<b>0.99</b>	<b>positive</b>	<b>improving</b>
53%	(AOM) Moderate Growth & Inc	9%	104%	very bullish	58.4	0.69	positive	improving
YTD	Description	Thiswk	Lastwk	13wk	26wk	39wk	52wk	3Y
2.6%	(AOA) Aggressive Growth	0.2%	0.2%	5.1%	10.3%	23.3%	20.0%	39.3%
1.5%	(AOM) Moderate Growth & Inc	0.2%	0.1%	3.3%	7.8%	14.7%	14.3%	25.7%
PR/HI	Description	SL	PRICE	BS	52wHI	52wLO	50d avg	210d avg
99.0%	(AOA) Aggressive Growth	89.60	91.87	92.81	92.81	68.45	89.78	83.81
99.5%	(AOM) Moderate Growth & Inc	47.72	48.43	48.69	48.69	41.20	47.66	45.38

### Market Timing v. Diversified Buy & Hold: Performance

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Index Moose</b>	<b>12.3%</b>	<b>58.7%</b>	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	2.6%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	1.5%	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
US Strategy Moose	0.8%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
S&P Benchmark	-0.8%	14.5%	24.5%	24.3%	-19.5%					

**The Index Model** crushed all competitors in 2025. 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 timing 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.

The table above covers the last decade and illustrates several points: (1) Success of any one 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.

## INVESTMENT STRATEGIES: THE US EQUITY STRATEGY TIMING MODEL

### USE Strategy: HOLD US Growth

The USES Model is an equity only construct for determining the optimum equity strategy for the US large cap stock portion of one's portfolio. It monitors and ranks 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 include US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight.

**THIS YEAR:** (Q1) US Stocks are bullish entering 2026, but US large caps, especially in the Mag 7 growth category are hung-over from year-end valuation constraints. Small caps and International shares are showing early strength against SPY. Equities are generally bullish but lagging gold, due to a weaker Dollar from US tariffs. Fed rate cut optimism in 2026 seems unlikely before June. In the US large cap segment High Dividend equities are outperforming YTD 2026.

**THIS WEEK** was the second MIXED-risk week in a row. Foreign Stocks UP, US Stocks DOWN, US Bonds DOWN and Gold DOWN. The US Equity Strategy (USES) Model bought into US Growth in December. No change since. IUSG came close to a stop loss this week but rebounded away. SPY did as well. US stocks are not the best equity choice, but they still beat cash. The model returned to US Growth (IUSG) 12/5/25 @169.25. Among US stock strategies, US Growth still leads in confidence index and ROC, but window dressing to end 2025 demonstrates renewed interest in value and high dividend which lead technical strength and short-term price momentum (PMO). High dividend, however, is overbought.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	US Growth	16%	99%	bullish	51	0.49	positive	improving
2	92%	US Large-caps	15%	102%	very bullish	54	0.65	positive	deteriorating
3	84%	US Value	13%	99%	very bullish	58	0.96	positive	deteriorating
4	79%	US High Dividend	13%	107%	very bullish	67	2.29	positive	deteriorating
5	76%	US Fundamentals	13%	103%	very bullish	52	0.90	positive	deteriorating
6	67%	S&P Equal Weight	11%	100%	very bullish	55	1.12	positive	deteriorating
7	60%	US Momentum	11%	90%	bullish	50	0.93	positive	improving
8	14%	Cash	2%	88%	very bullish	84	0.09	positive	improving
9	-2%	Short Income	0%	66%	bullish	64	0.01	positive	improving
10	-12%	US Low Volatility	-1%	90%	very bullish	65	0.65	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>0 and CI>0 or better, not be overbought, and be working off a buy-stop.

### Best S&P Strategies

#### Rotation Out of IUSG to Broader Market (RSP) in January

**This week:** US Growth is still the top momentum choice over 26-weeks, 52 weeks and 3 years. Rotation into broader US market (RSP) in Q4. US equities catching up with offshore stocks but still lag. Among US strategies, Growth and Momentum outperform the S&P benchmark over 3 years.

	YTD	Description	THIS	LAST	13wk	26wk	39wk	52wk	3Y
1	5%	US High Dividend	0.7%	0.1%	10.2%	11.2%	19.5%	13.3%	35.6%
2	3%	S&P Equal Weight	-0.3%	-0.1%	5.0%	7.2%	20.2%	11.8%	30.5%
3	3%	US Low Volatility	1.3%	-0.7%	1.6%	0.5%	3.9%	4.0%	18.0%
4	3%	US Value	0.4%	-0.4%	5.7%	10.4%	22.0%	12.9%	30.6%
5	2%	US Momentum	0.2%	-1.1%	2.5%	7.7%	25.1%	19.9%	55.9%
6	2%	US Fundamentals	-0.1%	-0.3%	4.5%	9.7%	22.1%	12.0%	36.9%
7	1%	US Large-caps	0.4%	-0.4%	4.2%	10.1%	27.3%	16.8%	46.1%
8	1%	US Growth	0.2%	-0.3%	3.4%	9.9%	32.1%	19.9%	58.2%
9	0%	Cash	0.1%	0.0%	0.7%	1.8%	2.8%	3.9%	9.4%
10	0%	Short Income	0.2%	0.1%	-0.2%	1.6%	2.1%	3.9%	8.1%

## INVESTMENT STRATEGIES: THE GLOBAL INDEX TIMING MODEL

### TOP Index Model Move: HOLD GLD

**THIS YEAR:** (Q1) US Stocks are bullish entering 2026, but US large caps, especially in the Mag 7 growth category are hung-over from year-end valuation constraints. Small caps and International shares are showing early strength against SPY. All are all bullish, but all are lagging gold, due to a weaker Dollar from US tariffs. Fed rate cut optimism in 2026 remains but seems unlikely before June.

**THIS WEEK** was the second MIXED-risk week in a row. Foreign Stocks UP, US Stocks DOWN, US Bonds DOWN and Gold DOWN. Index Moose HOLDS #1 Gold (GLD) via buy-stop since 8/28/25.

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. Emerging markets (EEM) and US small caps (IWM) are coming on strong this month, but they are verging on overbought. Gold continues to lead the Index Model in technical strength, PMO, and quarterly performance.

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Gold Bullion (GLD)	130%	very bullish	53.9	5.19	positive	improving
2	67%	Emerging Markets (EEM)	113%	very bullish	61.3	2.76	positive	improving
3	63%	US Small-caps (IWM)	102%	very bullish	50.5	1.84	positive	deteriorating
4	42%	Developed Markets (EFA)	110%	very bullish	61.7	2.12	positive	improving
5	41%	US Large-caps (SPY)	102%	very bullish	54.5	0.65	positive	deteriorating
6	6%	Very Long US Bonds (EDV)	30%	bearish	42.8	-0.36	negative	improving
7	1%	Short US Income (SGOV)	100%	very bullish	91.4	0.10	positive	improving

	YTD	FUND	THIS	LAST	13wk	26wk	39wk	52wk	3Y
1	12.3%	Gold Bullion (GLD)	-2.8%	8.7%	21.2%	43.3%	46.5%	72.1%	137.8%
2	8.0%	Emerging Markets (EEM)	0.1%	2.1%	7.6%	22.3%	37.5%	40.9%	55.1%
3	5.5%	US Small-caps (IWM)	-1.9%	-0.4%	4.1%	18.5%	34.2%	15.7%	35.3%
4	4.9%	Developed Markets (EFA)	0.8%	0.4%	9.9%	15.9%	24.1%	35.4%	47.1%
5	1.5%	US Large-caps (SPY)	0.4%	-0.4%	1.6%	10.4%	26.4%	16.8%	46.1%
6	0.3%	Short US Income (SGOV)	0.1%	0.0%	0.3%	0.6%	0.3%	0.3%	0.3%
7	-0.2%	Very Long US Bonds (EDV)	-1.7%	0.2%	-7.4%	-1.2%	-3.9%	-3.0%	-12.5%

## 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 International Equities (Fund I)

**THIS WEEK** was the second MIXED-risk week in a row. Foreign Stocks UP, US Stocks DOWN, US Bonds DOWN and Gold DOWN.

**TSP MOOSE HOLDS International Equities (I Fund) via CI since 1/21/26.**

Fund I holds the TSP Model's top spot per confidence index, price momentum, technical strength and RSI. Fund I is neither overbought nor oversold.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	Internat stocks (I)	19%	112%	very bullish	66.8	2.25	positive	improving
2	93%	US Small-caps (S)	13%	96%	very bullish	43.5	1.06	positive	deteriorating
3	90%	Lifetime 2060	15%	106%	very bullish	57.5	1.23	positive	improving
4	83%	US Large-caps (C)	13%	102%	very bullish	53.8	0.60	positive	deteriorating
5	75%	Lifetime 2050	13%	105%	very bullish	57.8	1.04	positive	improving
6	66%	Lifetime 2040	11%	105%	very bullish	58.1	0.93	positive	improving
7	54%	Lifetime 2030	9%	104%	very bullish	58.7	0.78	positive	improving
8	26%	Long-term Inc (L)	4%	103%	very bullish	62.0	0.46	positive	improving
9	14%	Fixed Income (F)	2%	86%	very bullish	52.5	0.10	positive	deteriorating
10	2%	Short-term Inc (G)	0%	101%	very bullish	--	0.18	positive	improving

Fund I leads over 13, 26, 39 /and 52 weeks, YTD, and over 3 years. Fund S is a close second in January. The models are more or less based on six-month momentum, so Fund I has the best answer to the question "what have you done for me lately?"

### TSP Lifetime & Index Funds: Performance Progression

	FUND	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	International stocks (I)	0.7%	1.0%	10.4%	18.0%	29.1%	35.3%	5.9%	46.2%
2	Lifetime 2060	0.1%	0.1%	6.5%	12.0%	26.9%	21.6%	3.1%	43.7%
3	Lifetime 2050	0.1%	0.1%	5.5%	10.4%	22.5%	18.8%	2.6%	37.4%
4	US Small-caps (S)	-2.5%	-0.8%	2.7%	7.6%	25.7%	8.6%	2.4%	33.7%
5	Lifetime 2040	0.1%	0.1%	5.0%	9.4%	20.0%	17.1%	2.3%	33.8%
6	Lifetime 2030	0.1%	0.1%	4.3%	8.1%	17.0%	14.9%	1.9%	29.5%
7	US Large-caps (C)	0.3%	-0.3%	5.0%	9.3%	26.0%	16.3%	1.5%	44.6%
8	Long-term Inc (L)	0.1%	0.1%	2.7%	5.0%	9.4%	9.3%	1.1%	18.0%
9	Short-term Inc (G)	0.1%	0.1%	1.2%	2.2%	3.3%	4.4%	0.4%	9.1%
10	Fixed Income (F)	0.0%	0.1%	0.1%	3.8%	4.1%	6.9%	0.2%	9.6%

**\*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: Long-Term Performance**

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>L2060</b>	<b>3.1%</b>	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	2.6%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	2.3%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	2.1%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	1.9%	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**

## **Golden Era**

Nothing says Golden Era like a 50% annual return on the gold coins you have sitting in your bank lockbox.

Then again, GLD plunged 16% top to bottom on Thursday and Friday. It was a shocking display of volatility and weakness by an asset that had just put in one of its best annual performances in history. It begs the question-- Is the run in gold over?

I'm guessing it is not. Including the rally earlier in the week that preceded the plunge, gold ended less than 3% down for the week and is still up 12% for the month of January.

Those who read this newsletter knew weeks ago that gold was severely overbought and due for a correction. In all likelihood that was the cause of the swoon-- and not the disappointing realization at Davos that Trump wasn't really about to attack Denmark and break up NATO to forcibly annex a massive sheet of ice spuriously marketed to the world for centuries as a "green land". Maybe someone did their due diligence. It happens.

Gold 's prospects are solid in part because the current President of the US is the self-described poster-child for an "American Golden Age" and where he treads, gold has license to go nuts. So it has.

While Trump is in office then, gold isn't going to disappear. It will get more valuable. If he has his way, half the gold in Fort Knox will end up bedazzling the walls of the new White House Ballroom. But it isn't just the ballroom-dancer-in-chief. Gold represents safety and Trump is a disruptor with new ways of doing things, (creating a critical need among some to hedge the uncertainty).

Central Bank buying is one of the largest contributors to rising gold prices. The whole notion that the US can freeze the dollar assets that a foreign nation may hold in reserve, essentially shutting down their government operations has gained credence under Trump.

The BRICS countries (Brazil, Russia, India, China, and South Africa among others) have been trying to find a way around a US Dollar-centric global trade system since 2009. They have been largely unsuccessful. Global trade continues to be denominated in US Dollars and gold remains the safest of reserves.

Cheaper US money is still expected, inflationary and good for gold. Another rate cut is expected in the summer. Meanwhile, we have a large persistent US deficit, and geopolitical tension in Iran, Venezuela, and the Black Sea. Traditional threats (global recession or a severe equity market panic) evidenced by equity margin calls are not in evidence.

This week reminded us that this may be the best buy-the-dip moment in gold and gold mining since last fall.