MOOSECALLS

Global Financial News & Analysis
DEC12.2025 through DEC.21.2025

EXECUTIVE SUMMARY: DEC12, 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—MIXED-Risk (1)

THIS was the 1st MIXED-Risk week after 2 Risk-ON: US Stocks MIXED, Foreign Stocks MIXED, Bonds DOWN, and Gold UP.

Rate Cut

Markets were mixed this week in the wake of the Fed decision to lower its overnight rate to 3.50%, and ahead of year-end window-dressing. There were notable divergences among the asset classes we track, but much of the decision was already factored in. Long-duration Treasury bonds fell sharply (−1.6%) as the 10-year yield rose to 4.19%, despite an additional $40B in Fed easing. Cash yields sank to 3.53%. The US dollar declined modestly (−0.5%) despite the higher yields, succumbing to the notion of a weaker US economy requiring another rate cut. US equities were mixed with large caps edging lower (−0.6%) and small caps outperforming (+1.2%) in preparation for the January Effect. Foreign equities generally did better, led by Latin America (+2.5%) and Europe (+0.9%), while Japan (+0.4%) slowed and Asia-Pacific ex-Japan lagged (−1.5%). Commodities (-2.5%) fell, led by oil (-4.3%), but gold (+2.3%) reasserted itself after several weeks of lethargy, providing a defensive offset amid rate and currency moves.

GLOBAL OUTLOOK REMAINS 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: Commodity and oil prices continue lower.

US ECONOMIC DATA: Generally good. Federal deficit and Trade deficit both shrink due to tariffs. Job openings increase. Small business optimism up. Leading Economic Indicators down. Latest Q3 GDP Now (+3.6%) up a tick this week and still above post-war trend. Latest recession probability (25.05%) a year out (11/2026) still negligible.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.54 trillion, with the Fed Funds Rate cut to 3.50-3.75%. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >50-50) is expected April 29 (63%).

INVESTMENT STRATEGIES: The Index Model is outperforming all competitors in 2025. It remains in gold (GLD) after switching from EFA via buy-stop on August 28. It has recently endured a 10% correction but has not triggered a stop-loss. US stocks did trigger buy-stops this week pushing the US Equity Strategy (USES) Model into US Growth. Similarly, all Thrift Savings Plan (TSP) assets with an equity component have triggered the same stop, putting the model in large-cap stocks (Fund C) as well.

GLOBAL OUTLOOK: NEUTRAL (2 of 4)

Global Economic Indicators: Indications are currently neutral for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index fell to 2275 this week, but is higher after 13 weeks, a positive signal.** (After opening 2023 at 1515, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price at 57.53 fell this week, and is lower for the latest quarter, a negative** signal. (Oil remains below its 2022 peak @$130, but well above its 2020 Covid lows @$10.)

Our proxy for global construction, **copper fell to 5.10 this week, but remains higher this quarter, a positive** signal.

Domestically, **10Y US bond yields rose to 4.19% this week but 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 DEC21.2025

This week: Latin America 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*

RANK	CI%	FUND	TS+	TREND	RSI	PMO	condition
1	100%	Latin America (ILF)	108%	very bullish	61	2.20	deteriorating
2	91%	US Small-caps (IWM)	111%	very bullish	61	1.37	improving
3	91%	Asia Pacific ex-Japan (AAXJ)	92%	very bullish	44	0.11	deteriorating
4	**80%**	**Gold Bullion (GLD)**	**113%**	**very bullish**	**69**	**1.98**	**improving**
5	80%	US Large-caps (SPY)	105%	very bullish	54	0.72	improving
6	63%	Japan (EWJ)	107%	very bullish	58	0.67	improving
7	47%	Europe (IEV)	103%	very bullish	60	0.83	improving
8	9%	Short US Income (SGOV)	88%	very bullish	-	0.16	improving
9	4%	Very Long US Bonds (EDV)	53%	neutral	32	-0.70	deteriorating
		Ryan/CRB Indicator	1.00	no change			
		ST Interest Rate Equity Indicator	-67%	bearish			
		Volatility Index	11%	very bullish	40.3	2.14	+deteriorating
		US Dollar (UUP)	71%	bullish	45.8	0.34	+deteriorating
		Commodities (DBC)	99%	very bullish	61.7	0.65	+improving
		US Oil (USO)	5%	very bearish	54.2	-0.33	-improving

Global Economy through DEC21.2025

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 LATIN AMERICA Rebounds--
ILF gained 2.5% this week, following last week's 1.5% loss, leaving it ranked #1 globally and more attractive than cash. The index is up 12% for the quarter (13 weeks), and up 44% for the year (52 weeks).

#2 US SMALL-CAPS Break to New High--
IWM rose 1.2% this week, following last week's 0.8% gain, leaving it ranked #3 globally and less attractive than cash. The index is very bullish and up 6% for the quarter (13 weeks), and up 9% for the year (52

#2 ASIA-PACIFIC Sinks Below 50-day--
AAXJ fell 1.5% this week, following last week's 0.7% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 2% for the quarter (13 weeks), and up 25% for the year (52 weeks).

#4 GOLD Triggers New Buy-Stop--
GLD's price rose 2.3% this week, following last week's 0.4% loss, leaving it ranked 4 globally and more attractive than cash. Most recently GLD is up 18% for the quarter (13 weeks), and up 60% for the year (52 weeks).

#5 US LARGE-CAPS' Stall At Previous High--
US Large-Cap Stocks: SPY fell 0.6% this week, following last week's 0.3% gain, leaving SPY ranked #5 globally and more attractive than cash. The index is up 4% for the quarter (13 weeks), and up 14% for the year (52 weeks). **GROWTH is again the top US equity strategy** due to stop-losses triggered in SPY and its strategic options. US equity sector momentum is still broad and positive and "Avoids" shrank this week. Potential "Buys" include Semiconductors, Gold Miners, Bitcoin, Technology, and Biotech. "Avoids" include Healthcare Providers, Consumer Staples, Food & Beverage.

#6 JAPAN Retests Highs--
EWJ rose 0.4% this week, following last week's 0.8% gain, leaving it ranked #6 globally and more attractive than cash. Most recently, Japan is up 3% for the quarter (13 weeks), and up 22% for the year (52 weeks).

#7 EUROPE: Punches Higher--
IEV rose 0.9% this week, following last week's 0.7% gain leaving them ranked #7 globally and more attractive than cash. Most recently, Europe is up 5% for the quarter (13 weeks), and up 29% for the year (52 weeks).

#8 CASH and 10Y T Yields Mixed—
Cash is ranked 8th in the regional index model. The US Treasury 10-year yield finished the week up 7 ticks at 4.19% while the 3-month yield was down 7 ticks at 3.53%, leaving the yield curve much steeper and positively sloped at 66 basis points.

#9 BONDS' Gap Below 200-day--
EDV fell 1.6% this week, following last week's 1.5% loss, leaving it ranked #9 globally and less attractive than cash. Long bonds are down 4.2% for the quarter (13 weeks) and down 4.3% for the year (52 weeks)

COMMODITY & OIL Prices Fall--
A very bearish CRB fell 2.5% this week after last week's 1.5% gain. That left commodity prices down 1.1% for the quarter (13 weeks), and up 1.5% for the year (52 weeks). Meanwhile, oil prices (USO) fell 4.3% this week, following last week's 1.2% gain, and are currently very bearish. That leaves US oil prices down 5.8% for the quarter (13 weeks), and down 6.8% for the year (52 weeks).

DOLLAR Breaks Below Short-term Support—
UUP fell 0.5% this week, following last week's 0.6% loss. It is currently very bullish—up 2.5% for the quarter (13 weeks), but down 6.2% in the last year (52 weeks).

US ECONOMY: GOV'T DATA

Federal & Trade Deficits Shrink, Job Openings, Optimism Up, LEI Down

US Economy: week of DEC12.2025

THIS WEEK: Generally Positive

THE GOOD: WEEKLY Continuing Claims (1838K) less than previous. DEC FOMC Rate Decision—25 bps cut to 3.50-3.75%. NOV NFIB Small Business Optimism (99.0) beat consensus and prior. NOV Treasury Budget deficit (-$173.0B) continues to shrink. OCT JOLTS - Job Openings (7.670M) up from previous month. SEP Trade Deficit (-$52.8B) shrinking.

THE BAD: WEEKLY Initial Claims (236K) above prior. WEEKLY EIA Crude Oil Inventories slip from build to draw (-1.81M) as crude prices fall. SEP Leading Indicators (-0.3%) falling in line with previous. SEP Wholesale Inventories (+0.5%) unexpected build larger than prior.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

PCE IN LINE, IMPORT PRICES STEADY & COOL

US Inflation: week of DEC12.2025

SEP PPI (+0.3%) up inline. (1yr: 2.7%)
SEP Core PPI (+0.1%) COOL (1yr: 2.6%)
SEP CPI (+0.3%) below prior (1 yr= +3.0%)
SEP Core CPI (+0.2%) cooler than prior. (1 yr= +3.0%)
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 PCE Prices (0.3%) in line. (1yr 2.7%)
SEP Core PCE Prices (0.2%) cooler. 1yr 2.9%)
SEP Import Prices (0.0%) below previous. (1 yr +0.3%)
SEP Export Prices (0.0% below previous. (1yr +3.8%)

Q3 Employment Cost Index (+0.8%) up in line with expectations.
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 3.5%

Atlanta Fed Current GDP Model (12/05/2025): **Q3 Annualized +3.6% (Last week: Q3 Annualized +3.5%)**

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.537T); FFR @ (3.50-3.75%)

Federal Reserve:
week of
DEC12.2025

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 6.537T, unchanged in the latest week (DEC10, 2025). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. The next FOMC meeting is January 28.

The Fed Check at 100% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.52%, however, is 10 bps LOWER than the Fed overnight rate (3.625%), implying US domestic conditions merit at least one more Fed rate cut.

CME Fed futures remain sure that there will be no Fed rate hikes in the near future. Meanwhile, futures make a 2026 rate cut at the March FOMC meeting 50-50. The probability goes up to 63% at the April meeting, and 80% by June, after Powell is gone.

The 3m-10y yield curve steepened this week, going from a positive slope of 54 bps to one of 66 bps, as the 10-year US Treasury yield rose 7 bpt to 4.19%, and the 3-month cash yield fell 7 ticks to 3.53%. 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 at 3.66% is down this week, while the 3-month T-bill at 3.53% is down. That puts the SOFR/T-Bill (SOF-T) spread at 13 basis points, below its 200-day average of 19 bps. **A falling TED spread signals a safer, more confident financial system.**

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

Latest FOMC Assessment (2025.12.10) 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 through September. 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 3-1/2 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. The Committee judges that reserve balances have declined to ample levels and will initiate purchases of shorter-term Treasury securities as needed to maintain an ample supply of reserves on an ongoing basis. **(Next FOMC meeting: 2026.1.28)**

US Currency Market:
DOLLAR Breaks Below Short-term Support

US Dollar: UUP fell 0.5% this week, following last week's 0.6% loss. It is currently very bullish—up 2.5% for the quarter (13 weeks), but down 6.2% 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 deteriorating, but RSI14 @45.82 is neither overbought nor oversold. A Dollar weakened this week, dampening returns on 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) continued its to back off its latest buy-stop for a third week as the Fed meeting and its expected rate cut came and went. (Lower US interest rates make US income instruments less attractive all else being equal, and that leads to less demand for Dollars.) Meanwhile, Dollar price momentum is still positive but fading fast.) Offshore, Europe and Japan still have significantly easier monetary policies, giving the Dollar and US investments a relative advantage. US tariffs on the other hand dampen US economic performance and weaken the Dollar. As for other major currencies vs the Dollar, the Euro is bullish and up 0.9% this week. The Yen is very bearish and flat 0.0%. The Pound is neutral and up 0.4%. The Canadian dollar is bullish and up 0.6%. The Australian dollar is very bullish and up 0.4%.

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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.

	TS	Trend	US $ investors in Foreign Assets
Australian $ (FXA)	97%	very bullish	US$ Investors outperform hedged
British Pound (FXB)	58%	neutral	US$ investors match hedged
Canadian Dollar (FXC)	76%	bullish	US$ investors outperform hedged
Euro Dollar (FXE)	70%	bullish	US$ investors outperform hedged (IEV>HEDJ)
Swiss Franc (FXF)	55%	neutral	US$ investors match hedged
Japanese Yen FXY)	7%	very bearish	US$ investors underperform hedged (EWJ<DXJ)
US Dollar (UUP)	71%	bullish	

US Bond Market:
#9 BONDS' Gap Below 200-day

US Long Treasury Bonds: EDV fell 1.6% this week, following last week's 1.5% loss, leaving it ranked #9 globally and less attractive than cash. Long bonds are down 4.2% for the quarter (13 weeks) and down 4.3% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield finished the week 5 ticks higher at 4.19% and the 3-month yield was lower at 3.53%, leaving the yield curve positively sloped 66 basis points. Technically, US long bonds are neutral and at 66, EDV is below its short-term (50-day) average at 67, and below its intermediate-term (200-day) average at 66. Momentum (PMO) is negative, and its 14-day RSI of 32 means EDV is approaching oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US bonds. Longer term, bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

Bond prices, after a long ride up and a quick six-week drop have eroded 8% since the October Fed meeting. Long yields are up, as the ten-year yield bumped up to 4.19% this week. The government shut-down and a dearth of data haven't helped clarify matters. A higher unemployment rate and disappointing earnings growth recently gave the rate cutters credence as did private sector job losses and relatively quiet PCE inflation. Stronger than expected GDP growth however, could fan inflation fears. The overnight Fed Funds rate (3.62%) is finally lower than the 10-year Treasury yield (+4.19%), but still higher than the 2-year yield (3.52%) and the 3-month yield (3.53%), suggesting that the Fed rate is much closer to where it should be than it has been.

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:
#5 US LARGE-CAPS' Stall At Previous High

US Large-Cap Stocks: US Large-Cap Stocks: SPY fell 0.6% this week, following last week's 0.3% gain, leaving it ranked #5 globally and more attractive than cash. The index is up 4% for the quarter (13 weeks), and up 14% for the year (52 weeks). Technically, US large caps are very bullish and at 682, SPY is above its short-term (50-day) average at 674, and above its intermediate-term (200-day) average at 618. Its momentum (PMO) is positive, and its 14-day RSI of 54 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, bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

SPY triggered stop-losses three weeks ago and immediately rallied, triggering buy-stops last week and this week. They are still slightly short of previous highs, however. Narrow breadth confined to the Mag 7 is increasingly problematic as those prices soar and the rest of the S&P get pulled along in their prop wash. Traditionally, this is window dressing time for large caps—have the best of the best in your portfolio for the annual report on December 31. Then quickly move into small caps to take advantage of the January effect. For the moment 2026 looks bullish. The move toward small caps has begun already, juiced by this week's rate cut. Uncertainties regarding the Federal shutdown, taxation, fiscal spending, and the debt ceiling are behind us, and 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.

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(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#2 US SMALL-CAPS Break to New High

US Small-Cap Stocks: IWM rose 1.2% this week, following last week's 0.8% gain, leaving it ranked #2 globally and less attractive than cash. The index is up 6% for the quarter (13 weeks), and up 9% for the year (52 weeks). Technically, US small caps are very bullish and at 254, IWM is above its short-term (50-day) average at 245, and above its intermediate-term (200-day) average at 221. Its momentum (PMO) is positive, and its 14-day RSI of 61 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, bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

IWM triggered stop-losses three weeks ago and immediately rallied, triggering buy-stops last week and this week. They have taken IWM to new highs even though this is more traditionally, window-dressing time for large caps— when you put the best of the best in your portfolio for the annual report on December 31, and then quickly move into small caps to take advantage of the January effect. For the moment 2026 looks bullish and the move toward small caps has begun already, juiced by this week's rate cut. Uncertainties regarding the Federal shutdown, taxation, fiscal spending, and the debt ceiling are behind us, and 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 5 Sectors:
Semiconductors, Gold Miners, Bitcoin, 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 momentum is still positive and avoids narrowed this week-- 89% of our sectors are buy or hold (L85%) with **BUYS** now 33% (L33%) and HOLDS now 56% (L52%). **AVOIDS** are currently 11% (L15%). Potential "Buys" include Semiconductors, Gold Miners, Bitcoin, Technology, and Biotech. "Avoids" include Healthcare Providers, Consumer Staples, Food & Beverage.

CI%	Description	ROC	TS	READ	RSI		PMO	+/-	Condition
100%	Semiconductors (SMH)	72%	119%	very bullish	49.75		2.3	positive	improving
83%	Gold Miners (GDX)	72%	123%	very bullish	65.17		4.1	positive	improving
81%	Bitcoin (BLOK)	54%	58%	neutral	45.28		-1.3	negative	improving
61%	US Technology (IYW)	40%	106%	very bullish	46.50		0.7	positive	improving
55%	Biotechnology (IBB)	34%	105%	very bullish	57.03		2.9	positive	deteriorating
45%	Telecom (FCOM)	30%	107%	very bullish	58.04		1.2	positive	improving
44%	US Oil Equip & Servi (IEZ)	36%	116%	very bullish	57.88		3.0	positive	improving
41%	US Pharmaceuticals (IHE)	25%	105%	very bullish	66.19		3.1	positive	deteriorating
39%	US Aero & Defense (PPA)	25%	67%	bullish	56.70		-0.2	negative	improving
36%	**S&P 500 (SPY)**	**23%**	**105%**	**very bullish**	**53.59**		**0.7**	**positive**	**improving**
35%	Retail (XRT)	26%	89%	very bullish	65.63		1.5	positive	improving
34%	Media Portfolio (XLC)	22%	99%	very bullish	59.04		0.6	positive	improving
31%	Transports (IYT)	25%	111%	very bullish	68.27		1.8	positive	improving
31%	Capital Markets (KCE)	22%	77%	bullish	60.86		0.6	positive	improving
31%	KB Banks (KBE)	22%	103%	very bullish	71.26	OB	1.9	positive	improving
30%	DJ Internet Index (FDN)	16%	43%	neutral	46.14		-0.5	negative	improving
30%	Oil/Gas Expl & Prod (XOP)	19%	89%	very bullish	48.15		1.2	positive	deteriorating
29%	Industrials (XLI)	19%	100%	very bullish	60.10		0.5	positive	improving
27%	Software (XSW)	18%	64%	bullish	54.65		0.0	negative	improving
21%	Home Construction (XHB)	13%	72%	bullish	53.86		0.3	positive	improving
20%	Utilities (XLU)	9%	45%	neutral	35.62		-0.8	negative	deteriorating
13%	US Medical Devices (IHI)	4%	82%	very bullish	48.01		0.7	positive	deteriorating
12%	Select Materials (XLB)	6%	65%	bullish	61.58		0.4	positive	improving
9%	REITs (VNQ)	2%	56%	neutral	47.14		-0.2	negative	deteriorating
4%	KBW Insurance (IAK)	2%	70%	bullish	68.24		0.8	positive	improving
3%	**CASH**	**2%**	**78%**	**bullish**	**53.60**		**0.1**	**positive**	**deteriorating**
-3%	Food & Beverage (PBJ)	-4%	17%	very bearish	60.42		0.1	positive	improving
-3%	Consumer Staples (XLP)	-3%	35%	bearish	60.89		0.3	positive	improving
-7%	US Health Providers (IHF)	-3%	61%	bullish	55.89		-0.2	negative	improving

INTERNATIONAL MARKETS:
#4 GOLD Triggers New Buy-Stop

Gold Bullion: GLD's price rose 2.3% this week, following last week's 0.4% loss, leaving it ranked 4 globally and more attractive than cash. Most recently GLD is up 18% for the quarter (13 weeks), and up 60% for the year (52 weeks). Technically, Gold bullion (GLD) is currently very bullish, and at 395 above its short-term (50-day) average at 378, and above its intermediate-term (200-day) average at 324. Its momentum (PMO) is positive, and its 14-day RSI of 69 means GLD is approaching overbought. 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.

Gold's stalled out rally resumed after this week's Fed rate cut. Gold triggered a new buy-stop on Thursday but remains slightly short of its previous all-time high. Its RSI suggests it is nearing overbought levels. Cheaper US money is potentially inflationary and good for gold, Additional 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) appears likely.

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INTERNATIONAL MARKETS:
COMMODITY & OIL Prices Fall

Commodities: A very bearish CRB fell 2.5% this week after last week's 1.5% gain. That left commodity prices down 1.1% for the quarter (13 weeks), and up 1.5% for the year (52 weeks). At 298 the CRB is below its short-term (50-day) average at 300, and above its intermediate-term (200-day) average at 299. Its momentum (PMO) is positive, but deteriorating, and its 14-day RSI of 45 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, oil prices (USO) fell 4.3% this week, following last week's 1.2% gain, and are currently very bearish. That leaves US oil prices down 5.8% for the quarter (13 weeks), and down 6.8% for the year (52 weeks). At 69, USO is below its short-term (50-day) average at 71, and below its intermediate-term (200-day) average at 72. The Dollar weakened this week, enhancing returns for investors in hard assets. Longer term, the bullish Dollar is dampening returns for investors in commodities and oil.

Commodities are range bound and the intermediate trend is slowing indicating a lessening of inflation pressures. Price momentum is positive but deteriorating. Oil prices are the driver at present, as "drill, baby, drill" gathers steam in the US and OPEC continues a modest output increase to lower oil prices in December but will do away with it in 2026. The end of the summer driving season helped drop West Texas Intermediate crude prices into the mid-fifties in October, but geopolitical uncertainty in the Middle East and in Ukraine has interrupted 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: Punches Higher

European Large-Cap Stocks: IEV rose 0.9% this week, following last week's 0.7% gain leaving them ranked #7 globally and more attractive than cash. Most recently, Europe is up 5% for the quarter (13 weeks), and up 29% for the year (52 weeks). Technically, IEV is very bullish at 68—above its short-term (50-day) average at 66, and above its intermediate-term (200-day) average at 63. Its momentum (PMO) is positive, and its 14-day RSI of 60 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.

The Fed rate cut this week prompted Europe to punch higher the next day. Cheaper US money is good for European stocks, and the tariff situation is less of a problem for Europe than it is for US consumers and business. 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 3.625% Fed rate. A neutral 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 neutral to slightly bearish 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 Retests Highs

Japanese Stocks: EWJ rose 0.4% this week, following last week's 0.8% gain, leaving it ranked #6 globally and more attractive than cash. Most recently, Japan is up 3% for the quarter (13 weeks), and up 22% for the year (52 weeks). Technically, EWJ is very bullish at 84, above its short-term (50-day) average at 83, and above its intermediate-term (200-day) average at 76. Its momentum (PMO) is positive, and its 14-day RSI of 58 means EWJ is neither overbought nor oversold. As for currency effects, the Yen strengthened this week, improving return for dollar investors in Japanese stocks. Longer term, a bullish Yen enhances return to Dollar investors, but limits Japan's trade competitiveness.

With the latest Fed rate cut out of the way, Japan can now focus on its own central bank. The new Japanese PM has announced a US$135B stimulus program to boost growth and assist households with affordability. Inflation continues to rise at 3%, however, prompting reports that BoJ may be close to raising rates. Japanese headline inflation is above the Bank of Japan's 2% target for a third straight year. It meets next week and a long anticipated 25-basis-point rate hike has consistently been pushed back. This week EWJ is waiting to make sure of the Bank's direction before making new highs or abandoning old ones. For now, the dovish BoJ lending at 0.5% gives Japan and EWJ a significant but shrinking advantage over the US, which has a 3.625% Fed rate. 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:
#2 ASIA-PACIFIC Sinks Below 50-day

Asia-Pacific ex-Japan: AAXJ fell 1.5% this week, following last week's 0.7% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 2% for the quarter (13 weeks), and up 25% for the year (52 weeks). Technically, AAXJ is very bullish and at 92, below its short-term (50-day) average at 92, and above its intermediate-term (200-day) average at 84. Its momentum (PMO) is positive, and its 14-day RSI of 44 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.

This week's Fed rate cut was well received abroad. Cheaper US money is good for US export demand everywhere. It propelled Asian equities into a tie (with US small caps) for the number 2 slot in the regional index model and the tariff. Both lag #1 Latin America but only fractionally. US tariffs are the reason US stocks are lagging and have been all year. Asian equities remain positive. Several Asian equity markets are still more attractive than US stocks (VTI +11) including South Korea (EWY +34), Taiwan (EWT +11) and Hong Kong (EWH +10) lead the US, while Singapore (EWS +7) and China (FXI +4) lag. Australia (EWA -1) and India (PIN -6) 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:
#1 LATIN AMERICA Rebounds

Latin America 40: ILF gained 2.5% this week, following last week's 1.5% loss, leaving it ranked #1 globally and more attractive than cash. The index is up 12% for the quarter (13 weeks), and up 44% for the year (52 weeks). Technically, ILF is very bullish and at 31, ILF is above its short-term (50-day) average at 30, and above its intermediate-term (200-day) average at 26. Its momentum (PMO) is positive, and its 14-day RSI of 61means 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, a 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.

This week's Fed rate cut was well received abroad. Cheaper US money is good for US export demand everywhere. It propelled Latin equities into the number 1 slot in the regional index model last week and kept it there this week. US tariffs are the reason foreign stocks are outperforming and have been all year. 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 +11) for nine months but are fading lately. Colombia (COLO +29), Chile (ECH +22), Brazil (EWZ +18) and Mexico (EWW +14) are strongest, while Argentina (ARGT +1) is digging itself out of its most recent leftist hole. Canada (EWC +15) which is not in ILF, but a key player in the hemisphere continues to match the US 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	**58.3%**	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%	-6.0%
Aggressive G&I (AOA)	17.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%	3.5%
S&P Benchmark	16.3%	24.5%	24.3%	-19.5%						
Moderate G&I (AOM)	10.5%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%	5.3%
US Strategy Moose	7.6%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%	-5.6%

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

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: All USES funds are working off buy-stops this week, including SPY, having exited the previous false switch to cash and returned to US Growth (IUSG) 12/5/25 @169.25. Among US stock strategies, US Growth still leads in confidence index, technical strength and rate of change.

THIS was the 1st MIXED-Risk week after 2 Risk-ON: US Stocks MIXED, Foreign Stocks MIXED, Bonds DOWN, and Gold UP.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Growth (IUSG)**	**26%**	**106%**	**very bullish**	**48.8**	**0.68**	**positive**	**improving**
2	76%	US Large-caps (SPY)	21%	105%	very bullish	53.6	0.72	positive	improving
3	69%	US Momentum (MTUM)	18%	83%	very bullish	48.8	0.25	positive	improving
4	56%	US Fundamentals (QUAL)	15%	106%	very bullish	58.7	0.80	positive	improving
5	49%	US Value (IUSV)	14%	105%	very bullish	61.4	0.81	positive	improving
6	43%	S&P Equal Weight (RSP)	12%	104%	very bullish	60.5	0.68	positive	improving
7	16%	US High Dividend (SPYD)	4%	82%	bullish	60.6	0.32	positive	improving
8	8%	Cash (SGOV)	3%	88%	very bullish	99.8	0.16	positive	improving
9	-2%	Short Income (SHY)	-1%	66%	bullish	50.4	0.00	negative	deteriorating
10	-6%	US Low Volatility (SPLV)	-4%	4%	very bearish	50.2	-0.27	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 and over 3 years

This week: MTUM leads over 3 years, and over 52 weeks as IUSG faded this week. US equities catching up with offshore stocks. Among US strategies, Growth and 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)	-1.3%	**1.0%**	1.4%	7.7%	27.7%	**19.5%**	**69.7%**
2	20%	US Growth (IUSG)	-1.6%	0.7%	5.0%	**15.9%**	**31.8%**	18.3%	67.8%
3	17%	US Large-caps (SPY)	-0.6%	0.3%	5.4%	14.4%	23.7%	14.5%	52.6%
4	13%	US Value (IUSV)	0.8%	-0.1%	**5.5%**	12.5%	14.8%	8.6%	33.5%
5	13%	US Fundamentals (QUAL)	-0.1%	0.8%	5.4%	11.1%	17.6%	8.8%	43.7%
6	12%	S&P Equal Weight (RSP)	0.7%	0.2%	3.2%	9.2%	14.0%	7.3%	33.1%
7	5%	US High Dividend (SPYD)	**1.4%**	-1.0%	-0.3%	6.0%	3.7%	1.8%	28.1%
8	4%	US Low Volatility (SPLV)	0.4%	-2.5%	-1.9%	-1.4%	-3.1%	-0.8%	16.5%
9	4%	Short Income (SHY)	0.1%	-0.4%	0.2%	2.1%	2.8%	4.1%	9.0%
10	3%	Cash (SGOV)	0.0%	0.0%	1.1%	2.2%	3.3%	4.4%	10.0%

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 #3 Gold (GLD) via buy-stop since 8/28/25. Severely overbought, gold corrected about 11% on hawkish Fed-speak in November, never triggering a stop-loss. This week, Emerging markets (EEM) and US small caps (IWM) have both overtaken gold in the primary momentum metric (CI%). Gold continues to lead in technical strength, PMO, and quarterly performance. Since the Fed meeting is three days away and the probability of a rate cut is high, we are sticking with gold until we get more clarity from the Fed meeting December 10.

THIS was the 1st MIXED-Risk week after 2 Risk-ON: US Stocks MIXED, Foreign Stocks MIXED, Bonds DOWN, and Gold UP.

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	**91%**	US Small-caps (IWM)	111%	very bullish	61	1.4	positive	improving
2	88%	Emerging Markets (EEM)	98%	very bullish	48	0.4	positive	improving
3	80%	**Gold Bullion (GLD)**	**113%**	**very bullish**	**69**	**2.0**	**positive**	**improving**
4	80%	US Large-caps (SPY)	105%	very bullish	54	0.7	positive	improving
5	51%	Developed Markets (EFA)	106%	very bullish	58	0.7	positive	improving
6	9%	Short US Income (SGOV)	88%	very bullish	100	0.2	positive	improving
7	4%	Very Long US Bonds (EDV)	53%	neutral	32	-0.7	negative	deteriorating

	YTD	Description	13wk	26wk	39wk	52wk	3Y
1	**63%**	**Gold Bullion (GLD)**	**18.1%**	**27.5%**	**43.7%**	**59.9%**	**110.2%**
2	31%	Emerging Markets (EEM)	3.7%	17.1%	22.9%	26.6%	45.8%
3	30%	Developed Markets (EFA)	3.4%	11.8%	17.3%	25.8%	40.6%
4	17%	US Large-caps (SPY)	4.0%	15.0%	22.2%	14.2%	52.6%
5	15%	US Small-caps (IWM)	5.7%	21.3%	25.7%	9.0%	39.7%
6	3%	Short US Income (SGOV)	1.0%	2.0%	3.2%	4.4%	10.0%
8	1%	Very Long US Bonds (EDV)	-4.2%	3.1%	-3.2%	-4.3%	-7.5%

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-caps (Fund C)

THIS was the 1st MIXED-Risk week after 2 Risk-ON: US Stocks MIXED, Foreign Stocks MIXED, Bonds DOWN, and Gold UP.

TSP Moose *HOLDS Large-cap equities (Fund C)* via CI since 12/3/25 (@109.48).

*All TSP funds with an equity component are working off buy-stops this week. Fund C holds the TSP Model's #1 spot per confidence index, but price momentum, technical strength, and price momentum are swinging to small caps as January approaches. No funds in the model are overbought or oversold.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**US Large-caps (C)**	**19%**	**105%**	**very bullish**	**53.65**	**0.73**	**positive**	**improving**
2	98%	US Small-caps (S)	20%	107%	very bullish	57.35	0.80	positive	improving
3	89%	Lifetime 2060	18%	106%	very bullish	56.85	0.75	positive	improving
4	73%	Lifetime 2050	14%	102%	very bullish	59.15	0.50	positive	improving
5	73%	Internat stocks (I)	15%	107%	very bullish	61.29	0.77	positive	improving
6	64%	Lifetime 2040	13%	105%	very bullish	57.10	0.58	positive	improving
7	53%	Lifetime 2030	11%	104%	very bullish	57.55	0.51	positive	improving
8	24%	Long-term Inc (L)	5%	102%	very bullish	59.70	0.32	positive	improving
9	9%	Fixed Income (F)	2%	86%	very bullish	44.91	0.08	positive	deteriorating
10	0%	Short-term Inc (G)	0%	88%	very bullish	100.00	0.17	positive	improving

TSP RECENT PRICE ACTION: Fund I continues to lead performance year-to-date, and over 13 and 52-weeks. Fund C, however, leads over 26 weeks and 3 years. 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)	**5.4%**	11.7%	24.5%	**25.9%**	**30.2%**	41.2%
2	Lifetime 2060	4.8%	13.0%	24.8%	17.3%	21.2%	46.2%
3	Lifetime 2050	3.7%	10.8%	20.6%	14.8%	18.0%	39.0%
4	US Large-caps (C)	4.8%	**13.8%**	24.8%	14.3%	17.5%	**50.9%**
5	Lifetime 2040	3.8%	10.1%	18.8%	14.0%	16.8%	35.6%
6	Lifetime 2030	3.3%	8.7%	16.2%	12.4%	14.7%	31.1%
7	US Small-caps (S)	3.3%	13.4%	**26.7%**	7.2%	13.5%	41.4%
8	Long-term Inc (L)	2.1%	5.2%	9.0%	8.2%	9.0%	18.6%
9	Fixed Income (F)	0.4%	4.3%	4.3%	5.6%	6.7%	10.9%
10	Short-term Inc (G)	1.1%	2.2%	3.3%	4.5%	4.2%	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	21.2%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	18.5%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	16.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	14.7%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%
TSP Moose	14.7%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%

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

Fed Does Its Bit for Affordability

The Fed Meeting this past Wednesday went pretty much as expected. The Federal Reserve cut the overnight lending rate by 25 basis points, putting the new target range between 3.50% and 3.75%. The move marked the third and final rate cut of 2025. (CME futures put the probability of that outcome at 87% going in.)

In addition, the Fed plans to buy $40 billion in Treasury securities to provide liquidity and ensure that the 10-year yield does not spike. Inflation is expected to peak in early 2026, assuming no new tariffs are imposed. Hence the Fed's Summary of Economic Projections indicates one expected rate cut in 2026, presumably after inflation abates and Fed Chairman Powell steps down in May.

The latest decision came on a 9-3 vote, which Powell described as a "close call." The call may have been close, but the vote was not. Ten Fed governors voted to lower rates, and only two voted to hold them steady. A nearly total lack of economic data during the recent government closure did not facilitate the Fed decision nor does the government data mill’s prior reputation for astounding inaccuracy.

Powell continues to emphasize the need to balance employment and inflation goals in an effort to navigate those economic challenges while supporting growth and stability. In that regard, a tendency to err on the side of tighter policy when Trump is in the White House and looser policy when he is not, appears to persist. Powell’s latest pivot away from a third 2025 rate hike and back again suggests he just can’t help himself.

Ironically this latest Fed rate cut comes as a new political buzzword has surged to the forefront. “Affordability” is all the rage these days. Both sides have glommed onto it. Republicans are blaming the Biden inflation for things being unaffordable, and Democrats are blaming Trump because it’s always his turn in their barrel-- even when it isn’t.

Everyone could save themselves a lot of time and wasted energy if they just blamed themselves and the Fed. The Fed sets the price of money. If money is unaffordable everything else is. That is the lesson of capitalism. By the same token, if everything in New York one day becomes affordable it will only be after it became increasingly worthless. That’s the lesson of communism.