MOOSECALLS

Global Financial News & Analysis
JUL.I7.2026 through JUL.26.2026

EXECUTIVE SUMMARY: JUL.I7.2026

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

GLOBAL MARKETS: WEEK'S ACTION—Risk-OFF (1)

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

MARKETS RETREAT AS US MILITARY RESPONDS

Last week the memorandum of understanding between Iran's Islamic Revolution and the US unraveled. This week the tit-for-tat escalation rolls on but appears contained. Oil markets and shipping have been affected, but the strait has seen intermittent disruptions rather than total closure. As a result, oil prices are above $80 (+14.0%) on the week, but nowhere near the $120 high reached in March. That pushed the commodity complex higher (+5.3%) but left long bonds (-0.1%) unfazed after very cool June CPI, PPI, and Ex-Im inflation data offset the commodity spike. The ten-year yield actually dropped 3 bps to 4.54%. Lower yields helped weaken the Dollar (-0.2%) but not enough to ameliorate the retreat in gold bullion (-2.3%) and foreign equities. Offshore, Asia-Pacific (-5.5%), Japan (-4.3%) and Latin America (-1.3%) fared worst after giving back last week's gains. Europe (-0.1%) extended its previous week's loss, but not by much. In the US, large caps (-1.5%) led small caps (-0.7%) lower.

There were no changes to the models this week.

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

INFLATION: Consumer, Producer, and Ex-Im prices all cooler in June. Oil prices rose this week and are now back above $80 per barrel, but they are still down this quarter. Global inflation per the Fed Check (91) still warrants tightening, but it has improved amid falling oil prices and rate hikes in Europe and Japan.

US ECONOMIC DATA: RETAIL SALES, PRODUCTION DISAPPOINT. HOUSING STARTS, SENTIMENT, SMALL BIZ OPTIMISM BEAT. Recession chances a year out minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q2) UP as of 7/17: 1.7%.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.74 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting is in late July (7/29). Fed Chairman Kevin Warsh replaced Jerome Powell May 22. Iran war has spiked inflation fears. Fed Check (91) is improving but remains hawkish since 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) **The odds are 86% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (88%) is the most likely outcome.**

INVESTMENT STRATEGIES: Two changes. The GLOBAL Index model switches to US small-caps (IWM) as does the USES model. The TSP model holds small-cap equities (S Fund).

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications stay positive (3 of 4) for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index is at 2752 this week, down from 2499 last week but up 7% after 13 weeks, a positive** signal. (After opening 2026 at 1882, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price is up to $82.49 this week, but down (-2%) in the latest quarter, a negative** economic signal. (Oil remains below its 2022 peak ($130), but well above the 2020 Covid low ($10).)

Our proxy for global construction, **copper is $6.27, down this week, but up 1% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.54% this week, a 29 basis-point rise over the past 13 weeks, and a positive** bet on the largest world economy.

GLOBAL RANKING: US Small-caps Lead Globally

Index Moose ETF Rankings through JUL.26.2026

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

Asia-Pacific ex-Japan leads in regional global momentum since 6/3/2026 but triggered a stop-loss 7/13/2026. US Small-caps replace it at #1. (EEM also triggered a stop-loss in the index model and is replaced by IWM.)

IWM leads in overall confidence among assets still working off a buy-stop. It also leads in positive PMO. Technical strength is very bullish. (The best alternative working off a buy-stop at the moment is US large-caps (SPY). It leads in TS and is technically very bullish. Its PMO is positive but deteriorating. Another interesting opportunity might be hedged Japan (DXJ). Check out the chart.

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

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Asia Pacific ex-Japan (AAXJ)*	62%	bullish	39.8	0.00	positive	deteriorating
2	**87%**	**US Small-caps (IWM)**	93%	**very bullish**	50.5	**1.29**	**positive**	deteriorating
3	80%	Japan (EWJ)*	80%	very bullish	41.8	0.62	positive	deteriorating
4	61%	Latin America (ILF)*	49%	neutral	50.0	-0.13	negative	improving
5	47%	Europe (IEV)	85%	very bullish	52.7	0.76	positive	deteriorating
6	37%	US Large-caps (SPY)	101%	very bullish	48.8	0.78	positive	deteriorating
7	9%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
8	-14%	Gold Bullion (GLD)*	9%	very bearish	40.3	-2.62	negative	improving
9	-24%	Very Long US Bonds (EDV)*	5%	very bearish	42.5	-0.40	negative	deteriorating
		US Dollar	91%	very bullish	54.1		positive	deteriorating
		Commodities	56%	neutral	58.7		negative	improving
		US Oil	66%	bullish	58.5		negative	improving
		Ryan/CRB	91%	HIKE RATES				
		Volatility	16.3	reduced fear				

IWM is the best performing region YTD, and over 13weeks. AAXJ and ILF continue to fade near term and are much more volatile. Moreover, emerging market equities no longer outperform those of developed markets due to June rate hikes in Europe and Japan.

YTD	FUND	07/17/26	07/10/26	13wk	26wk	39wk	52wk	3Y
19.5%	**US Small-caps (IWM)**	-0.7%	-0.5%	**9.7%**	10.3%	19.6%	33.7%	42.8%
17.9%	Asia Pacific ex-Japan (AAXJ)	-5.5%	2.0%	4.4%	**11.5%**	24.6%	34.0%	55.2%
12.1%	Japan (EWJ)	-4.3%	1.5%	1.8%	7.4%	23.3%	38.8%	43.6%
11.9%	Latin America (ILF)	-1.3%	**2.4%**	-9.5%	2.0%	**31.4%**	**46.1%**	48.8%
9.0%	US Large-caps (SPY)	-1.5%	1.4%	7.3%	9.0%	13.2%	19.8%	36.9%
6.0%	Europe (IEV)	-0.1%	-1.1%	1.8%	5.3%	15.5%	20.9%	39.7%
0.2%	Short US Income (SGOV)	**0.1%**	0.1%	1.0%	1.8%	2.9%	3.9%	8.9%
-4.4%	Very Long US Bonds (EDV)	-0.1%	-2.0%	-3.0%	-2.2%	-7.4%	3.1%	-8.4%
-7.0%	Gold Bullion (GLD)	-2.3%	-0.3%	-17.2%	-16.9%	-3.3%	19.5%	**65.0%**

Global Economy through JUL.26.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

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

#1 ASIA-PACIFIC Triggers Stop-Loss--
AAXJ fell 5.5% this week, after gaining 2.0% last week. That left it bullish and ranked 1 globally and more attractive than cash. The index is up 4.4% for the quarter (13 weeks), and up 34.0% for the year (52 weeks). After triggering a stop-loss this week, it gives way to #2 Small-caps at the top.

#2 US SMALL-CAPs Take a Breather—
IWM fell 0.7% this week, after losing 0.5% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 9.7% for the quarter (13 weeks), and up 33.7% for the year (52 weeks).

#3 JAPAN Breaks Down Short-term--
: EWJ fell 4.3% this week, after gaining 1.5% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 1.8% for the quarter (13 weeks), and up 38.8% for the year (52 weeks).

#4 LATIN AMERICA Falls With 50-Day--
ILF fell 1.3% this week, after gaining 2.4% last week. That left it neutral and ranked 4 globally and more attractive than cash. The index is down 9.5% for the quarter (13 weeks), but up 46.1% for the year (52 weeks).

#5 EUROPE's Advance Slows--
IEV fell 0.1% 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 1.8% for the quarter (13 weeks), and up 20.9% for the year (52 weeks).

#6 US LARGE-CAPS Dip After Buy-Stop--
SPY fell 1.5% this week, after gaining 1.4% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 7.3% for the quarter (13 weeks), and up 19.8% for the year (52 weeks).

#7 US Cash Yield Steady: The three-month T-Bill yield is 3.71%, up a tick from last week. The cash yield is slightly above the Fed overnight rate (3.625%) following the 6/17 FOMC meeting at which no changes in rate policy were expected or made. Meanwhile, the two-year Treasury is yielding 4.18%, a 56 basis-point premium to cash

#8 GOLD Tests 10-month Low—
GLD fell 2.3% this week, after losing 0.3% last week. That left it very bearish and ranked 8 globally and less attractive than cash. The index is down 17.2% for the quarter (13 weeks), but up 19.5% for the year (52 weeks).

#9 LONG US TREASURIES Lower Despite Cooler CPI--
EDV slipped -0.1% this week, after losing 2.0% last week. That left it very bearish and ranked 9 globally and less attractive than cash. Long bonds are down 3.0% for the quarter (13 weeks) but up 3.1% for the year (52 weeks) as yields have risen. Cash yielding 3.71% and the 10-year bond yielding 4.54% means the 3m-10y yield curve (83 bps) flattens a bit this week but is still steepening intermediate term.

COMMODITIES Recover As Sorties Resume--
A neutral CRB rose 5.3% this week after gaining 3.6% last week. That left commodity prices up 0.9% for the quarter (13 weeks), and up 29.9% for the year (52 weeks).

Crude Oil Spikes: The broader oil complex (USO) rose 14.0% this week, following last week's gain of 4.5% and currently bullish. That leaves US oil prices down 2.4% for the quarter (13 weeks), but up 64.9% for the year (52 weeks).

US DOLLAR Continues to Fade Off Top--
UUP fell 0.2% this week, after gaining 0.2% last week. It is currently very bullish—up 2.0% for the quarter (13 weeks), and up 3.6% in the last year (52 weeks).

US ECONOMY: JUL.I7.2026:

OVERALL: GOOD INFLATION NEWS, REST MIXED

PRODUCTION: PRODUCTION LAGS EXPECTATIONS

(+) WEEKLY EIA Crude Oil Inventories (-1.69) draw develops as oil prices rise.
(-) JUN Industrial Production (+0.1%) in line with prior but below consensus.
(-) JUN Capacity Utilization (76.1) in line with previous but below expectations.
(-) JUN S&P Global U.S. Manufacturing PMI – (53.9) expanding, DOWN from previous.
(+) JUN S&P Global U.S. Services PMI – (51.3) final, expanding, in line.
(-) JUN ISM Manufacturing Index (53.3) BELOW prior and consensus.
(-) JUN ISM Services Index (54.0) expanding, below prior and consensus.

CONSTRUCTION: JUNE HOUSING STARTS BOUNCE

(+) JUN Housing Starts (1427K) above consensus and previous.
(-) JUN Building Permits (1367K) below consensus and prior.
(+) MAY Existing Home Sales (4.17M) beat previous and consensus.
(-) MAY New Home Sales (580K) down from prior more than expected.
(-) MAY Construction Spending (+0.1%) below prior and consensus.

INFLATION: JUNE CPI, PPI PRICES COOL

(+) JUN CPI (-0.4%) cooler than prior and consensus. (+3.5% y-o-y)
(+) JUN Core CPI (0.0%) cooler than prior and consensus. (+2.6% y-o-y)
(+) JUN PPI:(-0.3%) cooler than prior and consensus. (+5.5% y-o-y)
(+) JUN Core PPI (+0.2%) cooler than prior and consensus. (+4.7% y-o-y)
(-) JUN Import Prices (+0.3%) hot and up but cooler than prior. (+7.1% y-o-y)
(+) JUN Export Prices (-0.6%) down, hot but cooing. (+10.2% y-o-y)
(-) MAY PCE Prices (+0.4%) as expected. (1yr 4.1% up.)
(-) MAY PCE Prices – Core (+0.3%) as expected. (1yr 3.4% up.)

JOBS: JOBLESS CLAIMS DOWN

(+) Weekly initial Claims (208K) below previous and forecasts.
(+) Weekly Continuing Claims (1805K) lower than previous this week.
(-) JUN ADP Private Payrolls (98K) DOWN from previous more than expected.
(-) JUN Nonfarm Payrolls (57K) much weaker than previous and consensus.
(-) JUN Unemployment rate (+4.2%) down a tick due to shrinking labor force participation.
(-) JUN Average Hourly Earnings (+0.3%) in line, but below inflation rate.
(-) JUN Average workweek (34.3) unchanged.
(+) MAY JOLTS Job openings (7.594) UP from prior after revision lower.
JOLTS Separations

CONSUMPTION: JUNE RETAIL SALES MODEST

(-) JUN Consumer Confidence (91.2) UP from prior after downward revision, but below consensus.
(-) MAY Durable Orders (-4.5%) correcting after 8.5% surge in April.
(+) MAY Personal Income up strong (+0.7%), better than expected and prior.
(+) MAY Personal Spending (+0.7%) better than expected and prior.
(+) JUL Michigan Consumer Sentiment (54.4) growing, above consensus and prior.
(+) JUN NFIB Small Business Optimism (97.4) strong and above prior (95.3).
(-) MAY Trade Deficit (-$77.6B) greater than previous and consensus.
(-) JUN Federal Budget (-$120.3B) still in deficit but improved from May (-$292.6B).

GDP & RECESSION INDICATORS: IMPROVE

(+) Q1 GDP - Third Estimate (+2.1%) up from previous and consensus.
(-) Q1 GDP Deflator - Third Estimate (+3.6 %) up a tick from previous and still hot.
Q1 Employment Cost Index (0.9%) hotter than expected and previous.
Q1 Productivity – (+0.3%) revised weaker than prior and consensus
Q1 Unit Labor Costs – Warm but revised cooler (+1.8%) than previous and consensus.
(-) Q1 Current Account Balance (-$226.8) deficit greater than previous quarter and consensus forecast.

RECESSION THREAT: MINIMAL, RISING

US recession chances one year out: 16.06% (JUNE 2027) per NY Fed. The Fed model's chance of recession has been below 30% (the threshold signaling a recession one year out) and falling since 2025. It reached a recent low of 15 in MAY 2026. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics.

ATLANTA FED: US Q2 GDP NOW at 1.7%

Atlanta Fed Current GDP Model (7/17/2026): Q2 Annualized 1.7% (Last week: Q2 Annualized +1.3%)

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.74T); FFR @ (3.50-3.75%)

Federal Reserve: week of JUL.I7.2026

Currently, the Fed's balance sheet is **6.74T, (UNCH +.00T)** in the latest week (**7/15/2026**). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change since at the January, March, April or June FOMC meetings.

The next FOMC meeting is July 29. Trump replaced Jerome Powell with Kevin Warsh in the chair on May 22 and he chaired his first FOMC meeting June 17. No near-term rate hikes are expected, but a more hawkish tone suggests supply-side inflation pressures brought on by the war with Iran may eventually force rate hikes by year-end. **The odds are 86% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (88%) is the most likely outcome.**

The Fed Check at **91%** turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at **4.18%,** however, is now **56** bps HIGHER (and rising) than the Fed overnight rate (3.625%), implying near-term US domestic conditions make a Fed rate hike increasingly likely.

The **3m-10y yield curve flattened to a slope of 83 bps** this week, as the 10-year US Treasury yield fell to **4.54%**, and the 3-month cash yield rose to **3.71%**. Intermediate term the curve is positive and steepening. (The curve was inverted from 11/22 through 12/24 but has been positive since.) The 30d-10y median yield (**4.14%**) is above its 200-day (**3.95%**). A rising median yield and a steepening yield curve are both bullish for stocks.

3-month SOFR yield at 3.62% is higher this week, while the 3-month T-bill at 3.71% is up a tick. That puts the SOFR/T-Bill (SOF-T) spread at -9 basis points, below its 200-day average of +10 bps. **A falling SOF-T spread signals a safer, more confident financial system.**

FED OVERALL THIS WEEK: NEUTRAL
FED CHECK: TIGHTENING INDICATED
RATE POSTURE: STEADY
BALANCE SHEET: STEADY
FED SPEAK: AWAITING NEW CHAIR

Latest FOMC Assessment (2026.6.17) The Federal Open Market Committee approved the following statement for release by a 12 – 0 vote: The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve's dual mandate. The Committee reaffirmed its policy of maintaining ample reserves in the banking system. Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability. (Next Meeting: 7/29/2026)

US Currency Market:
US DOLLAR Fades Some More

US Dollar: UUP fell 0.2% this week, after gaining 0.2% last week. It is currently very bullish—up 2.0% for the quarter (13 weeks), and up 3.6% in the last year (52 weeks). At $28.33, UUP is above its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is positive but deteriorating. RSI14 @ 54.1 is neither overbought nor oversold. As for other major currencies vs. the Dollar, the Australian $ (FXA) is neutral, and up 0.5% this week. The British Pound (FXB) is neutral, and up 0.5%. The Canadian Dollar (FXC) is very bearish, and up 0.0%. The Euro Dollar (FXE) is very bearish, and down 0.2%. The Swiss Franc (FXF) is very bearish, and down 0.6%, and the Japanese Yen (FXY) is very bearish and down 0.4%.

The Dollar rally has stalled for a third week on fractional moves up and down. The new Fed chair's more hawkish tone, an unexpectedly weak June jobs report, very cool June inflation offset by a July spike in commodities have given currency traders pause. The Dollar has essentially followed oil prices and interest rates higher. This week oil is up 14% but the 10-year yield is actually down due to cool June CPI and PPI releases. Doubt about the durability any deal with Iran leading to lower oil prices promotes an expectation of Fed rate hikes later in the year – good for the Dollar. Concern about job weakness in the face of AI does the opposite. Along with war, which traditionally makes the Dollar a safe haven, US tariffs remain a positive for the greenback despite the last Supreme Court ruling. As oil prices revert to more normal and lower levels, and the demand for Dollars will fall.

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

#9 LONG US TREASURIES Steady Amid Cooler Inflation

US Long Treasury Bonds: EDV fell 0.1% this week, after losing 2.0% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 3.0% for the quarter (13 weeks) as yields have risen, but up 3.1% for the year (52 weeks). The US Treasury 10-year yield fell 3 ticks to 4.54%, and the 3-month yield rose 1, to 3.71 with the yield curve flattening to 83 basis points. That reduces the odds of a recession in mid-2027. At $62.18, US EDV is below its short-term (50-day) average and below its intermediate-term (200-day) average. Momentum (PMO) is negative and deteriorating, and its 14-day RSI of 42.5 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 bullish Dollar improves return to Dollar investors in US assets.

Long Bond prices continued lower this week as unexpectedly cool June CPI and PPI data joined a weak June jobs report, counterbalancing an oil price spike and reducing the likelihood of a near term Fed rate hike. EDV has given up both its 50 and 200-day support levels and triggered multiple stop-losses in the process. That reaffirmed late April’s “death-cross” which limits chances of a Fed rate cut in 2026 and increases the chances of a rate hike.

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 Dip Off Buy-Stop

US Large-Cap Stocks: SPY fell 1.5% this week, after gaining 1.4% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 7.3% for the quarter (13 weeks), and up 19.8% for the year (52 weeks). At $743.29, SPY is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 48.8 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 bullish Dollar improves return to Dollar investors in US assets.

Large-caps backed off a two-week rally, after touching a buy-stop for the first time since early June. After June's global AI/tech and energy sell-off, technology semiconductors, and energy rebounded to start July as the previous rotation into pharma, health providers, and biotech pulled backed. This week the rebound slowed as odds of a Fed rate hike at the July 29 FOMC meeting dwindled on very cool June inflation numbers added to a weak June jobs report. Recent rate hikes in Europe and Japan took some pressure off the Fed as well. That said, uncertainty over the impact of AI on job growth, and uncertainty over the future (revised) US tariff regime remains. The larger issues of taxation, fiscal spending, and the debt ceiling, however, are settled, and the new favorable corporate tax regime is kicking in now. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish for stocks.

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#2 US SMALL-CAPs Take a Breather

US Small-Cap Stocks: IWM fell 0.7% this week, after losing 0.5% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 9.7% for the quarter (13 weeks), and up 33.7% for the year (52 weeks). At $294.04, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and 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 bullish Dollar improves return to Dollar investors in US assets.

After posting a new high on July 1, US small cap stocks slipped lower for a second week after an unexpectedly weak June jobs report started the negativity rolling. Very cool consumer and producer price reports should have improved the inflation outlook, but new US-Iran hostilities this week jacked the price of oil 14% and quashed any optimism. Small caps (IWM) have been on a 3-month run, not only beating US large caps but beating international stocks as well since Europe and Japan hiked rates. IWM finally edged out Momentum in the USES model and Emerging Markets in the Index model when MTUM and EEM both triggered stop-losses. With oil prices back above $80, however, the longevity of IWM's run is in question. Uncertainty over the impact of AI on job growth, and over the future US tariff regime remains. On a positive note, solid earnings and PE ratios well below those of large caps promote investor optimism in small caps. Moreover, the larger issues of taxation, fiscal spending, and the debt ceiling are settled. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish for stocks.

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:
Oil Exploration, Transports, & Banks

The table below ranks 27 primary US sector ETFs in order of relative momentum this week. Sectors ranked higher than cash are bullish (**buy** or **hold**), and those ranked below cash are bearish (**sell or avoid**). **This week's** US equity sector momentum is up; positive; broad-- 88% of our sectors are buy or hold (L82%) with **BUYS steady at 44%** (L44%) and **HOLDS up to 44% (L41%). Avoids are down at 12% (L15%)**. Top performers this week: Oil Exploration, Transports, and Banks. Worst: Gold Miners, Bitcoin.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	62%	87%	very bullish	41.2	1.68	positive	deteriorating
40%	US Oil Equip & Serv (IEZ)	30%	49%	neutral	42.8	-2.58	negative	improving
30%	US Technology (IYW)	21%	100%	very bullish	44.3	1.33	positive	deteriorating
28%	**Transports (IYT)**	20%	108%	**very bullish**	62.5	**2.17**	**positive**	**improving**
28%	US Pharmaceuticals (IHE)	16%	106%	very bullish	61.7	3.01	positive	deteriorating
27%	Oil/Gas Expl & Prod (XOP)	23%	63%	bullish	64.4	-0.08	negative	improving
24%	Industrials (XLI)	16%	79%	bullish	48.9	1.12	positive	deteriorating
24%	**KB Banks (KBE)**	16%	109%	**very bullish**	63.2	**2.39**	**positive**	**improving**
21%	Select Materials (XLB)	12%	42%	neutral	45.9	-0.17	negative	deteriorating
21%	US Health Providers (IHF)	14%	112%	very bullish	62.1	3.56	positive	deteriorating
19%	US Aerospace & Def (PPA)	11%	49%	neutral	39.6	0.16	positive	deteriorating
17%	Biotechnology (IBB)	8%	101%	very bullish	58.7	3.28	positive	deteriorating
13%	**S&P 500 (SPY)**	**9%**	**101%**	**very bullish**	**48.8**	**0.78**	**positive**	**deteriorating**
10%	Consumer Staples (XLP)	6%	75%	bullish	54.5	0.27	positive	improving
9%	KBW Insurance (IAK)	6%	105%	very bullish	60.2	2.63	positive	deteriorating
9%	Retail (XRT)	1%	74%	bullish	59.7	1.55	positive	improving
8%	REITs (VNQ)	6%	102%	very bullish	**62.0**	0.82	positive	improving
8%	Food & Beverage (PBJ)	5%	60%	neutral	56.2	0.11	positive	improving
7%	Capital Markets (KCE)	8%	101%	very bullish	**57.4**	1.41	positive	improving
6%	Home Construction (XHB)	-2%	53%	neutral	48.6	1.31	positive	deteriorating
2%	Bitcoin (BLOK)	-3%	42%	neutral	**37.2**	-0.61	negative	deteriorating
1%	Utilities (XLU)	0%	46%	neutral	49.4	0.37	positive	deteriorating
0%	Telecommunications (FCOM)	-1%	51%	neutral	48.3	0.02	positive	improving
-3%	DJ Internet Index (FDN)	0%	88%	very bullish	49.7	0.84	positive	improving
-4%	Gold Miners (GDX)	-12%	5%	very bearish	37.2	-3.95	negative	deteriorating
-5%	**CASH**	**-3%**	**5%**	**very bearish**	**50.0**	**-0.08**	**negative**	**improving**
-6%	Media Portfolio (XLC)	-4%	14%	very bearish	48.9	-0.43	negative	improving
-10%	Software (XSW)	-6%	88%	very bullish	58.5	2.81	positive	improving
-27%	US Medical Devices (IHI)	-22%	23%	bearish	50.2	0.65	positive	improving

US Sector Top Performers: YTD (7/17/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
54.5%	**Semiconductors (SMH)***	-8.9%	3.2%	-5.8%	**29.3%**	**44.5%**	**61.7%**	**93.1%**	**107.1%**
34.8%	Oil/Gas Expl & Prod (XOP)	**7.3%**	2.5%	**9.9%**	1.4%	37.3%	30.8%	36.2%	21.3%
29.9%	US Oil Equip & Serv (IEZ)	-1.0%	**6.0%**	4.9%	-8.1%	22.2%	44.7%	60.8%	26.1%
19.8%	US Technology (IYW)	-4.3%	2.7%	-1.6%	23.6%	18.1%	19.3%	35.2%	55.0%
19.7%	Transports (IYT)	1.2%	0.1%	1.4%	15.1%	16.6%	25.4%	28.8%	39.4%
19.0%	US Pharmaceuticals (IHE)	0.4%	-0.4%	0.0%	14.7%	17.5%	35.1%	51.4%	53.0%
18.1%	US Health Providers (IHF)	-0.6%	-0.9%	-1.5%	26.5%	14.4%	12.2%	28.3%	9.7%
15.7%	KB Banks (KBE)	2.2%	0.2%	2.4%	10.4%	12.5%	20.4%	24.3%	49.8%
15.7%	Industrials (XLI)	-1.4%	-1.1%	-2.5%	4.2%	12.9%	17.4%	20.2%	48.7%
13.0%	REITs (VNQ)	2.8%	-0.7%	2.1%	7.8%	13.0%	12.0%	12.4%	20.8%

INTERNATIONAL MARKETS:
#8 GOLD Tests 10-month Low

Gold Bullion: GLD fell 2.3% this week, after losing 0.3% last week. That left it very bearish and ranked 8 globally and less attractive than cash. The index is down 17.2% for the quarter (13 weeks), but up 19.5% for the year (52 weeks). At $368.41, GLD is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 40.3 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 bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Gold's oversold late-June bounce slowed some more this week. An unexpectedly weak June jobs report and cool inflation date have reduced the likelihood of a near term Fed rate hike, but gold is looking for rate cuts and that likelihood is non-existent. Futures are 88% sure rates will be up by December. This week, war has resumed and oil prices are up. Recent rate hikes in Europe and Japan are making gold's prospects in a rising-rate-world appear dim. A large and persistent US deficit, along with geopolitical uncertainty (Venezuela, Iran, Ukraine) continue to influence demand for gold but US interest rates and the Dollar are the key drivers. Traditional threats (global recession or a severe equity market panic) evidenced by equity margin calls are not in evidence.

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INTERNATIONAL MARKETS:
COMMODITIES Recover As Sorties Resume

Commodities A neutral CRB rose 5.3% this week after gaining 3.6% last week. That left commodity prices up 0.9% for the quarter (13 weeks), and up 29.9% for the year (52 weeks). At $28.98, the CRB is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 58.7 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) rose 14.0% this week, following last week's gain of 4.5% and currently bullish. That leaves US oil prices down 2.4% for the quarter (13 weeks), but up 64.9% for the year (52 weeks). At $123.96, USO is below its short-term (50-day) average and above its intermediate-term average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 58.5 means USO is neither overbought nor oversold. A cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Oil rallied past $80 this week, pushing commodities up again as well after news that the US/Iran ceasefire had broken down. The US hit hundreds of military targets over the weekend and threatened to resume its blockade. Additionally, the recent massive earthquake in Venezuela continues to retard development of oil resources there amid ongoing humanitarian efforts.

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INTERNATIONAL EQUITIES:
#5 EUROPE's Advance Slows

European Large-Cap Stocks: IEV fell 0.1% 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 1.8% for the quarter (13 weeks), and up 20.9% for the year (52 weeks). At $72.71, IEV is above its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum (PMO) is positive and deteriorating, and its 14-day RSI of 53 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 bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

IEV pushed to a new high to start Q3, gapped lower last week as the US/Iran ceasefire ended, and filled that gap this week as the fighting continued and oil prices pushed past $80 a barrel. Technology has driven the global equity rally this year, and tech isn't a European strength. With oil prices on the rise and rates up Europe is vulnerable to an energy-driven stagflation shock should oil inflation persist. At the very least, its equities may remain lackluster compared to emerging markets. NOTE: A bearish Euro vs. Dollar keeps Europe (IEV +3) just ahead of Europe's hedged version (HEDJ +2) of equities and the US market (VTI +6). Italy (EWI +12), Spain (EWP +9), Netherlands (EWN +8) and Ireland (EIRL +7), are outperforming the US. Britain (EWU +4), and Switzerland (EWL +4) are doing passably, while France (EWQ -0), Denmark (EDEN-3) and Germany (EWG -5) are struggling.

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

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INTERNATIONAL EQUITIES:
#3 JAPAN Breaks Down Short-term

Japanese Stocks: EWJ fell 4.3% this week, after gaining 1.5% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 1.8% for the quarter (13 weeks), and up 39% for the year (52 weeks). At $90.49, EWJ is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 41.8 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 bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

EWJ gapped lower on a 25 bps BoJ rate hike effective June 16, almost filled it to open July, and then gapped even lower to end this week. It broke below its 50-day and triggered a stop-loss in the process. Technology has driven the global equity rally this year, and tech feeds on low interest rates. Hence, we saw a world-wide tech sell-off in late June. Taiwanese and South Korean tech and semi-conductors swooned and drove Japanese large caps lower. With oil prices rising the past three weeks and now above $80, oil importers like Japan are feeling the pressure leaving equities less ebullient going forward. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ @9.3) of Japanese equities preferable to both the US (VTI@+6.0) and the dollar version of Japanese equities we track (EWJ @5.6).

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

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INTERNATIONAL EQUITIES:
#1 ASIA-PACIFIC Triggers Stop-Loss

Asia-Pacific ex-Japan: AAXJ fell 5.5% this week, after gaining 2.0% last week. That left it bullish and ranked 1 globally and more attractive than cash. The index is up 4.4% for the quarter (13 weeks), and up 34.0% for the year (52 weeks). At $109.81, AAXJ is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 39.8 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 bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Semiconductors and tech got hammered this week leaving Asia-Pacific as the worst regional performer we track. Recent Asian equity weakness has been reinforced by a bullish Dollar, recent monetary tightening by Bank of Japan, and China-specific regulatory developments. (Oil prices also rose past $80 this week exacerbating the situation.) AAXJ remains the top regional index choice based on six-month performance but has triggered a stop-loss. Even so, Asian equity markets (AAXJ @9) remain more attractive than US stocks (VTI +6). South Korea (EWY +44) is still a standout along with Taiwan (EWT +42). Singapore (EWS +12), and Australia (EWA +7) are doing passably. Hong Kong (EWH -4), India (IMVP -16), and China (FXI -16), lag the US and are struggling due to energy and 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:
#4 LATIN AMERICA Falls With 50-Day

Latin America 40: ILF fell 1.3% this week, after gaining 2.4% last week. That left it neutral and ranked 4 globally and more attractive than cash. The index is down 9.5% for the quarter (13 weeks), but up 46.1% for the year (52 weeks). At $34.07, ILF is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 50.0 means ILF 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 bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

ILF slipped below its downward sloping 50-day on Friday. Its decline continues to be reinforced by a bullish US dollar, and recent monetary tightening by the Banks of Japan and Europe. With oil prices up three weeks in a row oil producers Mexico and Brazil hanging tough. ILF's performance has been very volatile making the more diversified Emerging markets (EEM) a more attractive market timing choice. That is increasingly true with Latin equities (ILF +4) are no longer outperforming their US cousins (VTI +6) in Price-Performance vs cash. Only Colombia (COLO +11) is beating the US. Brazil (EWZ +5), Mexico (EWW +2), Argentina (ARGT -0) and Chile (ECH -12) are lagging. Canada (EWC +6) which is not in ILF, but a key player in the Americas also continues respond positively despite 35% US tariffs on the 60% of its exports not covered by USMCA.

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

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INVESTMENT STRATEGIES: PASSIVE DIVERSIFIED: BUY-AND-HOLD

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

Passive Buy-and-Hold Strategies

TOP Buy and Hold Strategy: Aggressive Growth (AOA)

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

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

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

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
29%	**(AOA) Aggressive Growth**	**7%**	**78%**	**bullish**	**46.7**	**0.31**	**positive**	deteriorating
11%	(AOM) Moderate Growth & Inc	2%	61%	bullish	44.5	0.00	positive	deteriorating

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
7.7%	**(AOA) Aggressive Growth**	-1.1%	**0.6%**	**5.3%**	**6.6%**	**10.5%**	**18.1%**	**31.9%**
2.9%	(AOM) Moderate Growth & Inc	**-0.6%**	0.1%	2.1%	2.8%	5.3%	10.5%	19.4%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
97.8%	(AOA) Aggressive Growth	95.70	96.49	98.49	98.68	82.40	97.02	91.43
98.0%	**(AOM) Moderate Growth & Inc**	48.93	49.12	50.02	50.10	45.31	49.50	48.00

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Index Moose	**19.1%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	7.7%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.9%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
S&P Benchmark	**9.0%**	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	8.0%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%

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

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

INVESTMENT STRATEGIES:
THE US EQUITY STRATEGY TIMING MODEL

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

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

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

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

Of asset choices still working off a buy-stop IWM leads in CI, ROC, a very bullish TS, and in PMO, which is positive but fading.

Volatility Alert: IWM still has a downside gap to fill (from 4/8) and may do so before the US/Iran war is put to bed.

Best Alternative: Large-cap High Dividend (SPYD) has strong technicals and a positive, improving PMO.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Momentum (MTUM)***	**23%**	87%	very bullish	41	1.01	positive	deteriorating
2	76%	US Small-Caps (IWM)	18%	93%	**very bullish**	50	**1.29**	**positive**	deteriorating
3	43%	US High Dividend (SPYD)	12%	**105%**	very bullish	63	0.93	positive	**improving**
4	41%	S&P Equal Weight (RSP)	11%	101%	very bullish	55	1.09	positive	deteriorating
5	36%	US Growth (IUSG)	9%	94%	very bullish	45	0.72	positive	deteriorating
6	35%	US Fundamentals (QUAL)	9%	104%	very bullish	53	1.06	positive	deteriorating
7	32%	US Large-caps (SPY)	9%	101%	very bullish	49	0.78	positive	deteriorating
8	31%	US Value (IUSV)	9%	99%	very bullish	61	0.89	positive	improving
9	14%	US Low Volatility (SPLV)	4%	97%	very bullish	58	1.10	positive	improving
10	8%	Cash (SGOV)	2%	88%	very bullish	100	0.15	positive	improving

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

PERFORMANCE: Of asset choices still working off a buy-stop IWM leads over 13, 26 and 39 weeks, and 3 years.

Best Alternatives: Of asset choices still working off a buy-stop SPYD is a good back-up. That said MTUM remains a strong performer over 13 and 26 weeks, and its recent stop-loss could indicate a buy-the-dip opportunity. AI, after all is not going away.

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	**21%**	**US Momentum (MTUM)***	**-6.1%**	1.7%	**15.3%**	**18.1%**	18.6%	27.8%	**54.8%**
2	19%	US Small-Caps (IWM)	-0.7%	-0.5%	12.5%	15.6%	**20.9%**	**34.5%**	42.8%
3	14%	US High Dividend (SPYD)	**2.2%**	-0.2%	7.3%	14.6%	16.5%	17.8%	29.4%
4	11%	S&P Equal Weight (RSP)	-0.4%	-0.3%	7.7%	10.0%	13.6%	18.2%	31.5%
5	10%	US Fundamentals (QUAL)	-0.8%	0.6%	9.0%	8.3%	12.1%	20.0%	28.5%
6	9%	US Growth (IUSG)	-3.0%	**2.2%**	11.7%	8.2%	10.9%	21.3%	42.0%
7	9%	US Value (IUSV)	0.4%	0.1%	7.0%	9.0%	13.4%	19.9%	30.3%
8	9%	US Large-caps (SPY)	-1.5%	1.4%	9.6%	8.4%	11.7%	20.4%	36.7%
9	7%	US Low Volatility (SPLV)	1.0%	-1.2%	2.7%	8.9%	7.4%	7.8%	20.8%
10	0%	Cash (SGOV)	0.1%	0.1%	1.0%	1.9%	2.9%	3.9%	8.9%

INVESTMENT STRATEGIES:
THE GLOBAL INDEX TIMING MODEL

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

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

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

***US Small-caps (IWM)* lead in overall confidence, are very bullish and have a positive PMO.**

Best Alternative: US Large-caps are #1 technically (very bullish) with a positive PMO.

Volatility Alert: It is likely IWM will fill its latest downside gap (249-259) and retest its 200-day before the US/Iran war is put to bed.

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.

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	**87%**	**US Small-caps (IWM)**	93%	**very bullish**	50.5	**1.29**	**positive**	deteriorating
2	82%	Emerging Markets (EEM)*	62%	bullish	39.5	-0.09	negative	deteriorating
3	45%	Developed Markets (EFA)	85%	very bullish	49.5	0.64	positive	deteriorating
4	37%	US Large-caps (SPY)	**101%**	**very bullish**	48.8	0.78	positive	deteriorating
5	9%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
6	-14%	Gold Bullion (GLD)*	9%	very bearish	40.3	-2.62	negative	improving
7	-24%	Very Long US Bonds (EDV)*	5%	very bearish	42.5	-0.40	negative	deteriorating

Performance-wise, IWM holds year-to-date honors this week. and over 13, 26 and 52 weeks. IWM is second YTD. The last quarter has been volatile, with Foreign equities besting US equities due to a weaker Dollar from tariffs and US small caps showing occasional rotational strength domestically.

YTD	FUND	07/17/26	07/10/26	13wk	26wk	39wk	52wk	3Y
19.5%	**US Small-caps (IWM)**	-0.7%	-0.5%	**9.7%**	**10.3%**	19.6%	**33.7%**	42.8%
15.7%	Emerging Markets (EEM)*	-5.4%	**1.8%**	2.3%	9.3%	**22.0%**	31.7%	**49.9%**
9.0%	US Large-caps (SPY)	-1.5%	1.4%	7.3%	9.0%	13.2%	19.8%	36.9%
7.6%	Developed Markets (EFA)	-1.0%	0.0%	1.3%	5.7%	14.1%	20.7%	35.8%
0.2%	Short US Income (SGOV)	**0.1%**	0.1%	1.0%	1.8%	2.9%	3.9%	8.9%
-4.4%	Very Long US Bonds (EDV)*	-0.1%	-2.0%	-3.0%	-2.2%	-7.4%	3.1%	-8.4%
-7.0%	Gold Bullion (GLD)*	-2.3%	-0.3%	-17.2%	-16.9%	-3.3%	19.5%	65.0%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**19.1%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	7.7%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.9%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%

INVESTMENT STRATEGIES:
THE THRIFT SAVINGS PLAN TIMING MODEL

TSP Momentum & Performance

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

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

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

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

International Equities (Fund I) still leads in overall confidence, due to smoothing differences, but triggered a switch 7/2/2026. US Small-caps took over #1 as the strongest alternative working off a buy-stop. Offshore equities have been fading since rate hikes in Europe and Japan two weeks ago.

Best Alternative: US Large-caps are #1 technically (very bullish) with a positive PMO @ #2.

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

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	International Fund (I)*	16%	73%	bullish	44.0	0.40	positive	deteriorating
2	**92%**	**US Small-caps (S)**	**13%**	93%	**very bullish**	47.9	**1.21**	**positive**	deteriorating
3	74%	Lifetime 2060	12%	89%	very bullish	46.5	0.69	positive	deteriorating
4	61%	Lifetime 2050	10%	88%	very bullish	46.7	0.59	positive	deteriorating
5	54%	US Large-caps (C)	9%	**101%**	very bullish	48.6	0.78	positive	deteriorating
6	54%	Lifetime 2040	8%	88%	very bullish	46.9	0.54	positive	deteriorating
7	42%	Lifetime 2030	7%	86%	very bullish	47.6	0.46	positive	deteriorating
8	22%	Long-term Inc (L)	**3%**	90%	very bullish	49.5	0.31	positive	deteriorating
9	2%	Short-term Inc (G)	0%	101%	very bullish	100.0	0.18	positive	improving
10	-8%	Fixed Income (F)	-2%	38%	bearish	48.6	-0.02	negative	deteriorating

TSP Lifetime & Index Funds: Performance Progression

Fund S leads YTD and over 13 an 26 weeks, despite a poor couple of weeks for small-caps. Fund I still leads over 39, and 52 weeks and 3Y, but European and Japanese rate hikes in June put future performance at risk.

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**US Small-caps (S)**	-1.3%	-0.9%	**14.1%**	**13.2%**	13.4%	21.4%	**14.6%**	34.3%
2	International Fund (I)	-2.0%	0.2%	9.3%	12.4%	**18.1%**	**26.9%**	13.5%	**42.6%**
3	Lifetime 2060	-1.7%	0.6%	11.8%	10.9%	14.3%	22.5%	11.6%	37.6%
4	Lifetime 2050	-1.4%	0.5%	9.9%	9.3%	12.3%	19.2%	9.9%	32.5%
5	US Large-caps (C)	-1.5%	1.3%	13.1%	9.4%	12.1%	19.8%	9.6%	34.9%
6	Lifetime 2040	-1.2%	0.4%	8.8%	8.5%	11.2%	17.4%	8.9%	29.6%
7	Lifetime 2030	-0.9%	0.3%	7.1%	7.1%	9.5%	14.7%	7.5%	25.6%
8	Long-term Inc (L)	-0.4%	0.2%	4.1%	4.7%	6.4%	9.3%	4.9%	17.0%
9	Short-term Inc (G)	0.1%	0.1%	1.3%	2.4%	3.4%	4.4%	2.4%	9.0%
10	Fixed Income (F)	0.1%	-0.4%	0.1%	0.4%	1.1%	4.2%	0.3%	7.9%

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

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**11.6%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	9.9%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	8.9%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	8.1%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	7.5%	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

FREEDOM ISN’T FREE

Whodathunkit? Being free of having to worry about a bunch of yahoos who insist they want to blow us to kingdom-come costs money.

Economic developments this week presented two competing themes. On one hand, the “June Ceasefire” inflation data provided further evidence that underlying price pressures continue to moderate, reinforcing the view that inflation remains on a gradual path toward the Federal Reserve's 2% target and that peace is cheaper that a poke in the eye with a sharp stick.

On the other hand, July’s sharp escalation in the US/Iran conflict drove oil and commodity prices significantly higher, introducing a new and unavoidable inflation risk that could complicate the outlook for monetary policy and financial markets.

This week’s government consumer, producer and ex-im inflation reports were broadly constructive. Core inflation remained relatively subdued, reflecting continued improvement in the underlying trend. Goods prices continued to benefit from normalized supply chains, shelter inflation showed further signs of slowing, and wage growth remained moderate enough to avoid generating renewed broad-based inflationary pressures. The data reinforced the case that inflation is gradually returning to target and, absent new shocks, might even allow the Federal Reserve to maintain its current policy stance while keeping open the possibility of lower interest rates later this year.

The energy markets are challenging that favorable outlook as the military conflict between the United States and Iran has increased concerns about the security of energy supplies flowing through the Strait of Hormuz. As markets priced in a higher risk of supply disruptions, crude oil and many industrial commodities posted strong weekly gains, reversing much of the recent decline in energy prices.

Although energy prices can be highly volatile, sustained increases have historically filtered through the economy. Higher oil prices raise the cost of transportation, manufacturing, agriculture, chemicals, and distribution, eventually increasing prices paid by both businesses and consumers. While these effects typically occur with a lag, persistent increases in energy costs can slow the overall decline in inflation and influence inflation expectations.

The latest developments allow the Federal Reserve to create a more balanced policy outlook. The underlying inflation trend continues to improve, but higher energy prices represent an external supply shock that monetary policy cannot directly offset. Fed officials generally look through temporary energy-related inflation if they think it will prove transitory. However, should elevated oil prices persist for several months or begin feeding into broader inflation expectations and wage demands, policymakers may delay any easing of monetary policy and maintain restrictive interest rates longer than markets had previously anticipated.

Financial markets are likely to remain focused on whether the current rise in oil prices proves temporary or develops into a more prolonged supply disruption. If geopolitical tensions ease and energy markets stabilize, the recent improvement in inflation should remain intact, supporting the prospect of lower interest rates and continued economic expansion. Conversely, if conflict disrupts global energy supplies or pushes crude oil substantially higher, inflation could reaccelerate modestly, Treasury yields could rise, and expectations for Federal Reserve rate cuts would likely be pushed further into the future.

From an investment perspective, higher energy prices generally favor energy producers and commodity-related sectors while creating headwinds for industries with significant fuel and transportation costs, including airlines, trucking, consumer discretionary companies, and portions of the manufacturing sector. Broader equity market performance will therefore depend on whether stronger corporate earnings and moderating underlying inflation continue to outweigh the inflationary effects of rising commodity prices.

Overall, this week's developments leave the intermediate-term investment outlook largely unchanged but introduce an important new risk. The underlying inflation trend continues to improve, supporting the longer-term bullish case for financial assets. However, the recent surge in oil and commodity prices reminds investors that geopolitical events can temporarily interrupt the disinflation process and increase market volatility. Until the Middle East situation becomes clearer, energy prices are likely to remain a key driver of inflation expectations, Federal Reserve policy expectations, interest rates, and overall market sentiment.