MOOSECALLS

Global Financial News & Analysis
JUL.03.2026 through JUL.12.2026

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EXECUTIVE SUMMARY: JUL.03.2026

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

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

THIS WEEK the first MIXED-Risk week after 1 Risk-ON:
US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold UP.

EQUITIES MIXED AFTER WEAK JOBS

The bad news: we got a weak June jobs report this week. The good news: investors convinced themselves that it might just be what the economy needed to take pressure off the Fed to raise rates anytime soon. Bond prices (-2.3%) fell despite the unexpectedly weak economic data. The US ten-year yield rose 12 bps to 4.49% and the three-month yield rose 1 tick 3.67%, steepening the yield curve to 83 basis points. Equities were less certain bad news was good. US Large-cap US stocks (+2.2%) rebounded from last week's loss, but small caps (-0.8%) rethought last week's gain. Abroad, Latin America (-0.4%) and Asia Pacific (-2.5%) continued lower, while Europe (+2.6%) and Japan (+0.4%) rebounded. The Dollar weakened (-0.4%) helping gold (+1.4%) but not oil (-1.4%), or commodities (- 3.1). There was one change to the models this week.

GLOBAL OUTLOOK POSITIVE (3 of 4). (Improved 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: No new price data. Oil prices continue lower this week and quarter, however, and are now back below $70/bbl. Global inflation per Fed Check (91) still warrants tightening, but it is improving and oil falls.

US ECONOMIC DATA: JUNE CONFIDENCE AND PAYROLLS WEAKER, MANUFACTURING EXPANDING MORE SLOWLY. Recession chance a year out minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q2) DOWN as of 6/24: 1.2%.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.72 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 as of 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) The odds are 78% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (77%) is the most likely outcome.

INVESTMENT STRATEGIES: One change. The TSP model switches to small-cap equities (S Fund). The GLOBAL Index model holds Emerging Markets (EEM). USES model holds Momentum since 5/22/26.

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications fell into neutral (3 of 4) for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index is at 2717 this week, up from 2524 last week and up 32% 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 down to $68.78 this week, and down (-38%) 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 $6.22, downup this week, and up 11% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.49% this week, a 18 basis point rise over the past 13 weeks, a positive** bet on the largest world economy.

GLOBAL RANKING: Asia-Pacific Top Region

Index Moose
ETF Rankings
through
JUL.12.2026

THIS WEEK the first MIXED-Risk week after 1 Risk-ON:
US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold UP.

Asia-Pacific ex-Japan leads in regional global momentum since 6/3/2026, despite a 7.7% loss in the last two weeks.

AAXJ leads in overall confidence. Technical strength is very bullish. Though AAXJ is the #1 regional choice, it is very volatile. The best offshore alternative at the moment remains emerging markets (EEM), but US Small-caps are coming on strong after rate hikes in Europe and Japan.

** 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)**	96%	**very bullish**	44.7	1.71	positive	deteriorating
2	74%	Japan (EWJ)	84%	very bullish	52.3	1.22	positive	deteriorating
3	73%	US Small-caps (IWM)	**110%**	very bullish	58.4	**2.18**	**positive**	**improving**
4	69%	Latin America (ILF)	34%	bearish	46.6	-0.91	negative	improving
5	42%	Europe (IEV)	89%	very bullish	60.7	0.87	positive	improving
6	29%	US Large-caps (SPY)	91%	very bullish	54.1	0.77	positive	deteriorating
7	9%	Short US Income (SGOV)	93%	very bullish	63.1	0.18	positive	improving
8	2%	Gold Bullion (GLD)	12%	very bearish	42.0	-3.27	negative	deteriorating
9	-23%	Very Long US Bonds (EDV)	84%	very bullish	65.8	1.30	positive	improving
		US Dollar	102%	very bullish	60.5		positive	improving
		Commodities	41%	neutral	33.9		negative	deteriorating
		US Oil	38%	bearish	30.4		negative	deteriorating
		Ryan/CRB	80%	HIKE RATES				
		Volatility	16.2	reduced fear				

AAXJ is the best performing region YTD, and over 26, 39 and 52 weeks. It took a major hit the past two weeks but has previously recovered from a couple of major hits in the last month. ILF continues to fade. In spite of the volatility however, emerging market equities continue to outperform those of developed markets due to June rate hikes in Europe and Japan. NOTE: US Small-caps have outperformed since those rate hikes.

YTD	FUND	07/02/30	06/26/30	13wk	26wk	39wk	52wk	3Y
22.4%	Asia Pacific ex-Japan (AAXJ)	-2.5%	-5.2%	23.1%	**16.9%**	**28.7%**	**41.2%**	**68.4%**
20.9%	US Small-caps (IWM)	-0.8%	**1.4%**	**24.6%**	16.7%	24.0%	34.9%	52.2%
15.4%	Japan (EWJ)	0.4%	-3.6%	15.0%	12.8%	26.6%	37.0%	56.9%
10.6%	Latin America (ILF)	-0.4%	-0.3%	0.3%	7.6%	24.0%	35.2%	56.8%
9.2%	US Large-caps (SPY)	2.2%	-2.4%	18.2%	8.2%	12.8%	20.5%	39.9%
7.3%	Europe (IEV)	**2.6%**	-0.9%	14.0%	6.8%	17.4%	21.4%	44.9%
1.6%	Very Long US Bonds (EDV)	2.0%	0.1%	4.1%	4.2%	1.4%	5.8%	-2.2%
0.1%	Short US Income (SGOV)	-0.2%	0.4%	1.0%	1.8%	2.9%	3.9%	9.0%
-4.6%	Gold Bullion (GLD)	1.2%	-3.5%	-8.8%	-8.5%	6.4%	23.1%	77.9%

Global Economy through JUL.12.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

THIS WEEK the first MIXED-Risk week after 1 Risk-ON:
US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold UP.

#1 ASIA-PACIFIC Dips Below 50-day Support—
AAXJ fell 2.5% this week, after losing 5.2% last week. That left it very bullish and ranked #1 globally and more attractive than cash. The index is up 23.1% for the quarter (13 weeks), and up 41.2% for the year (52 weeks).

#2 JAPAN Holds Short-term Support—
EWJ rose 0.4% this week, after losing 3.6% last week. That left it very bullish and ranked #2 globally and more attractive than cash. The index is up 15.0% for the quarter (13 weeks), and up 37.0% for the year (52 weeks).

#3 US SMALL-CAP Rally Slows-- IWM fell 0.8% this week, after gaining 1.4% last week. That left it very bullish and ranked #3 globally and more attractive than cash. The index is up 24.6% for the quarter (13 weeks), and up 34.9% for the year (52 weeks).

#4 LATIN AMERICA Off Fractionally-- ILF fell 0.4% this week, after losing 0.3% last week. That left it bearish and ranked #4 globally and more attractive than cash. The index is up 0.3% for the quarter (13 weeks), and up 35.2% for the year (52 weeks).

#5 EUROPE's Advance Pushes Ever Higher-- IEV rose 2.6% this week, after losing 0.9% last week. That left it very bullish and ranked #5 globally and more attractive than cash. The index is up 14.0% for the quarter (13 weeks), and up 21.4% for the year (52 weeks).

#6 US LARGE-CAPS Play Catch-Up –
SPY rose 2.2% this week, after losing 2.4% last week. That left it very bullish and ranked #6 globally and more attractive than cash. The index is up 18.2% for the quarter (13 weeks), and up 20.5% for the year (52 weeks).

#7 US Cash Yield Steady--
The three-month T-Bill yield is 3.69%, up from last week. The cash yield is close to 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 Bullion Gets Bearish Bounce: GLD rose 1.2% this week, after losing 3.5% last week. That left it very bearish and ranked #8 globally and less attractive than cash. The index is down 8.8% for the quarter (13 weeks), but up 23.1% for the year (52 weeks).

##9 LONG US TREASURIES Sink Into Neutral Zone –
EDV fell 2.6% this week, after gaining 0.1% last week. That left it very bullish and ranked #9 globally and less attractive than cash. Long bonds are up 4.1% for the quarter (13 weeks) and up 5.8% for the year (52 weeks) as yields have risen.

COMMODITIES Remain Oversold--
The CRB fell 3.1% this week after losing 0.8% last week. Commodity prices are down 5.7% for the quarter (13 weeks), but up 21.2% for the year (52 weeks).

Crude Oil: The broader oil complex (USO) fell 1.4% this week, following last week's loss of 8.2%, and remains bearish. US oil prices are down 8.3% for the quarter (13 weeks), but up 40.6% for the year (52 weeks).

US DOLLAR Backs Off Latest High—
UUP fell 0.4% this week, after gaining 0.6% last week. It remains very bullish, up 2.4% for the quarter (13 weeks) and up 5.5% for the year (52 weeks).

US ECONOMY: JUL.03.2026:

OVERALL: WEAK

PRODUCTION: MANUFACTURING POSITIVE BUT SLOWING

(-) WEEKLY EIA Crude Oil Inventories (-3.78M) draw lessens as oil prices fall.
MAY Industrial Production (+0.1%) lagged prior and targets.
MAY Capacity Utilization (76.2) improved by less than anticipated.
(-) JUN S&P Global U.S. Manufacturing PMI – (53.9) expanding, DOWN from previous.
(+) MAY S&P Global U.S. Services PMI – (51.3) expanding, up from previous.
(-) JUN ISM Manufacturing Index (53.3) BELOW prior and consensus.
(+) MAY ISM Services Index (54.5) beat prior and consensus.

CONSTRUCTION: MAY WEAKER THAN EXPECTED

(-) MAY Housing Starts (1177K) below previous and well below expectations.
(-) MAY Building Permits (1413K) 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%) LAGGED prior and consensus.

INFLATION: PCE PRICES RISING

MAY CPI (+0.5%) in line less hot than previous. (+4.2% y-o-y)
MAY Core CPI (+0.2%) cooler than previous (+2.9% y-o-y)
MAY PPI:(+1.1%) hot as prior and above consensus. (+6.5% y-o-y)
MAY Core PPI (+0.4%) hotter than prior and consensus. (+4.9% y-o-y)
MAY Import Prices (+1.9%) in line with previous. (+6.7% y-o-y)
MAY Export Prices (+1.3%) hotter from previous. (+11.2% 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: JUNE PAYROLL DATA WEAK

(+) Weekly initial Claims (215K) below previous and forecasts.
(-) Weekly Continuing Claims (1814K) slightly higher this week after prior revisions.
(-) 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 CONFIDENCE UNIMPRESSIVE

MAY Retail Sales (+0.9%) beat consensus and previous.
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.
(+) MAY Michigan Consumer Sentiment (49.5) still contracting but improving and better than anticipated.
MAY NFIB Small Business Optimism (95.3) strong but below prior (95.6).
(-) MAY Trade Deficit (-105.8B) greater than previous.

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, FALLING

US recession chances one year out: 14.98% (MAY 2027) 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 has been going lower since. 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 1.2%

Atlanta Fed Current GDP Model (7/1/2026): Q2 Annualized 1.2% (Last week: Q2 Annualized +2.5%)

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.72T); FFR @ (3.50-3.75%)

Federal Reserve: week of JUL.03.2026

Currently, the Fed's balance sheet is 6.72T, (DOWN +.02T) in the latest week (7/1/2026). 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 78% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (77%) 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 4.14%, however, is now 52 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 steepened to a slope of 83 bps this week,** as the 10-year US Treasury yield rose to 4.41%, and the 3-month cash yield rose to 3.67%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The 30d-10y median yield (4.09%) is just above its 200-day (3.94%). A rising median yield and a steepening yield curve are both bullish for stocks.

3-month SOFR yield at 3.66% is up this week, while the 3-month T-bill at 3.67% is also up a tick. That puts the SOFR/T-Bill (SOF-T) spread at -3 basis points, below its 200-day average of 12 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 Backs Off Latest High

US Dollar: UUP fell 0.4% this week, after gaining 0.6% last week. It is currently very bullish—up 2.4% for the quarter (13 weeks), and up 5.5% in the last year (52 weeks). At $28.34, UUP is above its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is positive but improving. RSI14 @ 60.5 is neither overbought nor oversold. As for other major currencies vs. the Dollar, the Australian $ (FXA) is bearish, and down 1.6% this week. The British Pound (FXB) is very bearish, and flat (0.0%). The Canadian Dollar (FXC) is very bearish, and down 0.3%. The Euro Dollar (FXE) is very bearish, and down 0.6%. The Swiss Franc (FXF) is very bearish, and down 0.6%, and the Japanese Yen (FXY) is very bearish and down 0.2%.

The Dollar rally stalled this week as the new Fed chair's more hawkish tone ran up against an unexpectedly weak jobs report. The Dollar has essentially followed oil prices and interest rates higher, but with oil and rates both down for three straight weeks, the script had flipped. 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)	bearish	US$ Investors outperform hedged
British Pound (FXB)	very bearish	US$ Investors outperform 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 Sink Into Neutral Zone

US Long Treasury Bonds: EDV fell 2.6% this week, after gaining 0.1% last week. That left it very bullish and ranked #9 globally and less attractive than cash. Long bonds are up 4.1% for the quarter (13 weeks) and up 5.8% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose to 4.49 and the 3-month yield rose 1 tick, to 3.67, with the yield curve steepening to 0 basis points. That reduces the odds of a recession in late 2026. At $66.08, EDV is above its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum (PMO) is positive and improving, and its 14-day RSI of 65.8 means EDV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Long Bond prices ended their six-week fight higher as an unexpectedly weak June jobs report reduced the likelihood of a near term Fed rate hike. EDV's 50-day, however, still remains below its 200-day in a steady "death-cross" limiting chances of a Fed rate cut in 2026 and increasing 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%).

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US Equity Market:
#6 US LARGE-CAPS Play Catch-Up

US Large-Cap Stocks: SPY rose 2.2% this week, after losing 2.4% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 18.2% for the quarter (13 weeks), and up 20.5% for the year (52 weeks). At $744.78, 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 54.1 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 cap growth recovered from lasty week's global AI/tech sell-off this week as an unexpectedly weak June jobs report reduced the likelihood of a near term Fed rate hike. Recent rate hikes in Europe and Japan added to the dovish switch. Solid earnings and GDP growth continue to add to the optimism in the US, however. 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 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:
#3 US SMALL-CAP Rally Slows

US Small-Cap Stocks: IWM fell 0.8% this week, after gaining 1.4% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 24.6% for the quarter (13 weeks), and up 34.9% for the year (52 weeks). At $297.58, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 58.4 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.

US small cap stocks gave back a fraction of last week's gains despite an unexpectedly weak June jobs report that reduced the likelihood of a near term Fed rate hike. Small caps are making a run these days, not only beating US large caps but beating international stocks as well since Europe and Japan hiked rates. With oil prices below $70, solid earnings, and PE ratios well below that of large caps, investor optimism in small caps is growing 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 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: 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:
Pharma, BioTech, and Health Providers

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-- 82% of our sectors are buy or hold (L74%) with **BUYS up to 52%** (L41%) and **HOLDS down to 30% (L41%). Avoids are steady at 18% (L18%)**. Top performers in the past two weeks: Pharma, Biotech, Health Providers. Worst: Semiconductors, Energy Services, and US Technology.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	76%	120%	very bullish	47.0	5.35	positive	deteriorating
51%	US Oil Equip & Serv (IEZ)	28%	34%	bearish	27.5	-3.46	negative	deteriorating
31%	US Pharmaceuticals (IHE)	23%	115%	very bullish	71.8	2.90	positive	improving
27%	Oil/Gas Expl & Prod (XOP)	15%	42%	neutral	39.4	-2.39	negative	deteriorating
25%	Transports (IYT)	20%	110%	very bullish	63.4	2.25	positive	improving
25%	US Technology (IYW)	21%	105%	very bullish	49.3	2.42	positive	deteriorating
23%	Select Materials (XLB)	16%	61%	bullish	55.1	0.28	positive	deteriorating
21%	KB Banks (KBE)	19%	110%	very bullish	65.2	2.27	positive	improving
20%	Industrials (XLI)	18%	108%	very bullish	60.4	1.82	positive	improving
13%	Biotechnology (IBB)	14%	115%	very bullish	80.2	3.04	positive	improving
13%	US Aerospace & Def (PPA)	13%	64%	bullish	64.1	0.96	positive	improving
11%	Consumer Staples (XLP)	8%	64%	bullish	54.9	0.16	positive	deteriorating
11%	US Health Providers (IHF)	15%	119%	very bullish	80.2	3.78	positive	improving
10%	Gold Miners (GDX)	-2%	8%	very bearish	45.6	-3.65	negative	deteriorating
10%	**S&P 500 (SPY)**	**9%**	**91%**	**very bullish**	**54.1**	**0.77**	**positive**	**deteriorating**
9%	Food & Beverage (PBJ)	6%	26%	bearish	53.3	-0.69	negative	improving
8%	REITs (VNQ)	6%	96%	very bullish	55.3	0.71	positive	deteriorating
7%	Retail (XRT)	8%	71%	bullish	59.2	1.58	positive	improving
7%	KBW Insurance (IAK)	6%	110%	very bullish	76.0	2.25	positive	improving
3%	Home Construction (XHB)	8%	90%	very bullish	58.2	3.01	positive	improving
2%	Capital Markets (KCE)	1%	45%	neutral	55.0	0.07	positive	deteriorating
-2%	Utilities (XLU)	1%	59%	neutral	56.5	0.30	positive	improving
-3%	Telecommunications (FCOM)	0%	23%	bearish	50.2	-1.18	negative	improving
-4%	**CASH**	**-3%**	**11%**	**very bearish**	**44.6**	**-0.08**	**negative**	**improving**
-8%	Media Portfolio (XLC)	-5%	2%	very bearish	46.7	-1.76	negative	deteriorating
-10%	Bitcoin (BLOK)	0%	66%	bullish	42.5	0.99	positive	deteriorating
-10%	DJ Internet Index (FDN)	-5%	49%	neutral	51.3	-0.06	negative	deteriorating
-24%	Software (XSW)	-9%	74%	bullish	63.7	1.95	positive	improving
-28%	US Medical Devices (IHI)	-20%	17%	very bearish	60.9	0.01	positive	improving

US Sector Top Performers: YTD (6/26/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
64.5%	**Semiconductors (SMH)**	-3.2%	-7.3%	-10.5%	**48.4%**	**64.7%**	**85.1%**	**115.6%**	**129.0%**
23.9%	US Oil Equip & Serv (IEZ)	-4.9%	-1.5%	-6.3%	-11.9%	24.7%	33.0%	50.7%	22.1%
22.5%	Oil/Gas Expl & Prod (XOP)	0.0%	0.9%	0.8%	-14.9%	23.5%	14.4%	23.6%	10.6%
21.9%	US Technology (IYW)	1.6%	-5.5%	-3.9%	31.0%	21.3%	25.9%	42.2%	61.9%
19.9%	US Health Providers (IHF)	3.4%	6.3%	**9.7%**	36.0%	20.1%	19.1%	17.2%	12.1%
19.0%	US Pharmaceuticals (IHE)	1.8%	7.9%	**9.7%**	17.8%	18.1%	48.0%	55.3%	56.0%
18.6%	Industrials (XLI)	1.5%	0.2%	1.7%	11.4%	17.1%	22.0%	25.2%	54.6%
18.1%	Transports (IYT)	0.9%	3.9%	4.8%	18.5%	16.8%	24.6%	27.7%	39.1%
16.0%	Biotechnology (IBB)	4.5%	7.9%	**12.4%**	18.1%	13.3%	40.9%	53.7%	42.6%
15.6%	US Aerospace & Def (PPA)	5.6%	-2.2%	3.4%	5.7%	13.4%	20.1%	29.9%	77.2%

INTERNATIONAL MARKETS:
#8 GOLD Extends Last Week's Oversold Bounce

Gold Bullion: GLD rose 1.2% this week, after losing 3.5% last week. That left it very bearish and ranked 8 globally and less attractive than cash. The index is down 8.8% for the quarter (13 weeks), but up 23.1% for the year (52 weeks). At $378.13, GLD is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 42.0 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 bounced higher after an oversold low last week. It was aided by an unexpectedly weak June jobs report and falling oil prices that reduced the likelihood of a near term Fed rate hike. The more dovish US switch was perhaps helped by recent rate hikes in Europe and Japan taking pressure off the Fed, but gold's prospects in a rising rate world remain dim. (Rate policy is key and gold has been fading since chances of a Fed rate hike later in 2026 exceeded those of a cut.) A large 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 Remain Oversold

Commodities A neutral CRB fell 3.1% this week after losing 0.8% last week. That left commodity prices down 5.7% for the quarter (13 weeks), but up 21.2% for the year (52 weeks). At $26.57 the CRB is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 33.9 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) fell 1.4% this week, following last week's loss of 8.2% and currently bearish. That leaves US oil prices down 8.3% for the quarter (13 weeks), but up 40.6% for the year (52 weeks). At $103.98, USO is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 30.4 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 prices sank further below $70 this week, causing commodities to go even lower. News that tanker traffic in the Strait of Hormuz has resumed and that the US blockade had begun to be lifted sent commodities lower and the US Dollar higher. A recent massive earthquake in Venezuela, however, may retard development of oil resources there as humanitarian efforts take center stage. Meanwhile, the jobs market joined the commodity and bond markets this week in telling us that inflation is becoming less of a concern.

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INTERNATIONAL EQUITIES:
#5 EUROPE's Advance Pushes Ever Higher

European Large-Cap Stocks: IEV rose 2.6% this week, after losing 0.9% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 14.0% for the quarter (13 weeks), and up 21.4% for the year (52 weeks). At $73.60, IEV is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 60.7 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 after a 25bps ECB rate hike effective June 17. Technology has driven the global equity rally this year, and tech isn't a European strength. Hence, Europe more or less skirted the world-wide tech volatility in June. With oil prices falling and rates up Europe has less to worry about regarding an energy-driven stagflation shock, but its equities may remain lackluster compared to emerging markets. NOTE: A bearish Euro vs. Dollar keeps Europe (IEV +7) just behind Europe's hedged version (HEDJ +7) of equities and the US market (VTI +9). Across the pond, Netherlands (EWN +17), Italy (EWI +14), and Spain (EWP +10) are outperforming the US. Ireland (EIRL +8), Britain (EWU +7), and Switzerland (EWL +7) are doing passably, while France (EWQ +3) Germany (EWG 0), and Denmark (EDEN 0) 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:
#2 JAPAN Holds Short-term Support

Japanese Stocks: EWJ rose 0.4% this week, after losing 3.6% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 15.0% for the quarter (13 weeks), and up 37.0% for the year (52 weeks). At $93.14, EWJ 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 52.3 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 25bps BoJ rate hike effective June 16 and hasn't recovered since. 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. EWJ remains bullish, nonetheless. With oil prices falling below $70 and rates still among the lowest in the world, Japan has less to worry regarding energy-driven stagflation. Equities may be less ebullient going forward, however. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ @20) of Japanese equities preferable to the dollar version we track (EWJ @14). Both are outperforming the US (VTI@+9).

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 Dips Below 50-day Support

Asia-Pacific ex-Japan: AAXJ fell 2.5% this week, after losing 5.2% last week. Past performance, however, left it very bullish and ranked 1 globally-- more attractive than cash. The index is up 23.1% for the quarter (13 weeks), and up 41.2% for the year (52 weeks). At $113.94, 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 44.7 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.

A 10% correction in the semiconductor space the past two weeks has dropped Asia Pacific off its most recent high. The swoon has been reinforced by US dollar strength, falling oil prices, recent monetary tightening by Bank of Japan, and China-specific regulatory developments. On a positive note, oil prices continued falling below $70 this week leaving AAXJ the top regional index choice based on six-month performance. (Due to AAXJ volatility, emerging markets (EEM) are the better timing model choice.) Even so, Asian equity markets (AAXJ @21) are still substantially more attractive than US stocks (VTI +9). South Korea (EWY +82) is a standout along with Taiwan (EWT +62). Singapore (EWS +10), and Australia (EWA +7) are doing passably. Hong Kong (EWH -2), India (IMVP -16), and China (FXI -18), 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 Off Fractionally

Latin America 40: ILF fell 0.4% this week, after losing 0.3% last week. That left it bearish and ranked 4 globally and more attractive than cash. The index is up 0.3% for the quarter (13 weeks), and up 35.2% for the year (52 weeks). At $33.69, 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 46.6 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's recent decline, reinforced by continued US dollar strength, falling oil prices, and recent monetary tightening by the Banks of Japan and Europe continued this week. Slipping two spots to #4 regionally, 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 +10) barely outperforming their US cousins (VTI +9) in Price-Performance vs cash. Colombia (COLO +17) is beating the US, while Mexico (EWW +8), Brazil (EWZ +7), Chile (ECH -3) and Argentina (ARGT -1) 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 first MIXED-Risk week after 1 Risk-ON:
US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold UP.

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

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
28%	**(AOA) Aggressive Growth**	**8%**	**83%**	**very bullish**	**50.4**	**0.62**	**positive**	deteriorating
12%	(AOM) Moderate Growth & Inc	4%	83%	very bullish	45.7	0.38	positive	deteriorating

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
8.3%	**(AOA) Aggressive Growth**	**0.5%**	-1.7%	**9.6%**	**8.5%**	**13.0%**	**19.1%**	**35.8%**
3.4%	(AOM) Moderate Growth & Inc	-0.5%	**-0.7%**	4.7%	4.1%	6.9%	10.7%	22.0%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
98.3%	(AOM) Moderate Growth & Inc	94.70	96.99	98.62	98.68	82.40	96.46	90.86
98.5%	(AOA) Aggressive Growth	48.88	49.35	50.10	50.10	45.31	49.41	47.84

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Index Moose	**21.1%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	8.3%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	3.4%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
Strategy	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
US Strategy Moose	**10.0%**	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
S&P Benchmark	9.2%	14.5%	24.5%	24.3%	-19.5%					

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

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

INVESTMENT STRATEGIES:
THE US EQUITY STRATEGY TIMING MODEL

USE Strategy: HOLD US Momentum (MTUM) since 5/22/2026.

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 first MIXED-Risk week after 1 Risk-ON:
US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold UP.

The US Equity Strategy (USES) Model ***HOLDS US Momentum (MTUM) since 5/22/2026.***

MTUM leads in CI, ROC, TS, and PMO, which is positive but fading. MTUM is no longer overbought.

Volatility Alert: It is likely both SPY and MTUM will fill their latest downside gaps and retest their 50-day before the US/Iran war is put to bed.

Best Alternative: Small caps continue to behave well.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Momentum (MTUM)**	**31%**	**114%**	**very bullish**	**47**	**3.83**	**positive**	deteriorating
2	67%	US Small-Caps (IWM)	24%	110%	very bullish	58	2.18	**positive**	**improving**
3	44%	US High Dividend (SPYD)	12%	96%	very bullish	57	0.77	positive	deteriorating
4	36%	S&P Equal Weight (RSP)	12%	104%	very bullish	65	1.25	positive	improving
5	29%	US Fundamentals (QUAL)	10%	97%	very bullish	60	1.13	positive	deteriorating
6	28%	US Growth (IUSG)	10%	92%	very bullish	50	0.90	positive	deteriorating
7	28%	US Value (IUSV)	8%	91%	very bullish	65	0.75	positive	deteriorating
8	26%	US Large-caps (SPY)	9%	91%	very bullish	54	0.76	positive	deteriorating
9	11%	US Low Volatility (SPLV)	4%	96%	very bullish	67	0.82	positive	improving
10	8%	Cash (SGOV)	2%	86%	very bullish	45	0.11	positive	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 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.

Momentum (MTUM) is mixed the last two weeks, but leads year-to-date, and over 13, 26 and 39 weeks, and 3 years.

Best Alternatives: Small caps continue to be a solid back-up year-t-date.

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	**26%**	**US Momentum (MTUM)**	-2.8%	-3.8%	**28.2%**	**25.2%**	**25.4%**	34.7%	**65.9%**
2	21%	US Small-Caps (IWM)	-0.8%	1.4%	18.5%	17.9%	25.4%	**38.0%**	52.2%
3	12%	S&P Equal Weight (RSP)	**2.2%**	0.2%	11.4%	11.5%	16.0%	18.4%	34.9%
4	12%	US High Dividend (SPYD)	-0.4%	2.3%	7.6%	12.9%	14.4%	15.1%	31.0%
5	10%	US Growth (IUSG)	1.9%	-3.6%	17.5%	10.1%	14.5%	25.1%	46.5%
6	10%	US Fundamentals (QUAL)	**2.2%**	-1.0%	12.7%	9.7%	15.0%	20.2%	29.7%
7	9%	US Large-caps (SPY)	**2.2%**	-2.4%	13.7%	9.3%	14.1%	21.9%	39.8%
8	9%	US Value (IUSV)	1.6%	0.1%	9.6%	9.0%	14.6%	18.9%	32.0%
9	7%	US Low Volatility (SPLV)	1.3%	**3.7%**	6.2%	8.2%	8.1%	6.8%	22.2%
10	0%	Cash (SGOV)	-0.2%	0.1%	0.7%	1.6%	2.6%	3.6%	8.6%

INVESTMENT STRATEGIES:
THE GLOBAL INDEX TIMING MODEL

TOP Index Model Move: HOLD Emerging Markets (EEM)

THIS WEEK the first MIXED-Risk week after 1 Risk-ON:
US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold UP.

The Global Index Model *HOLDS Emerging Markets (EEM) since 4/13/2026.*

Emerging Markets lead in overall confidence rate of change and positive PMO.

Best Alternative: Small caps are technically sound (very bullish) with a positive improving PMO.

Volatility Alert: It is likely EEM will fill its latest downside gaps (57-59) and retest its 50-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	**89%**	**Emerging Markets (EEM)**	91%	very bullish	44.8	1.47	positive	deteriorating
2	73%	US Small-caps (IWM)	**110%**	**very bullish**	58.4	**2.18**	**positive**	**improving**
3	40%	Developed Markets (EFA)	84%	very bullish	56.8	0.76	positive	deteriorating
4	29%	US Large-caps (SPY)	91%	very bullish	54.1	0.77	positive	deteriorating
5	9%	Short US Income (SGOV)	93%	very bullish	63.1	0.18	positive	improving
6	2%	Gold Bullion (GLD)	12%	very bearish	42.0	-3.27	negative	deteriorating
7	-24%	Very Long US Bonds (EDV)	64%	bullish	48.3	0.77	positive	improving

Performance-wise, IWM takes over year-to-date honors this week. and over 26, 39 weeks. EEM is second YTD and fading recently with offshore rate hikes. It still leads over 29 and 52 weeks. 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	07/02/30	06/26/30	13wk	26wk	39wk	52wk
1	**21%**	**US Small-caps (IWM)**	-0.8%	**1.4%**	**24.6%**	**16.7%**	24.0%	34.9%
2	20%	Emerging Markets (EEM)	-2.2%	-5.1%	20.8%	15.4%	**25.6%**	**37.7%**
3	9%	US Large-caps (SPY)	2.2%	-2.4%	18.2%	8.2%	12.8%	20.5%
4	9%	Developed Markets (EFA)	1.8%	-1.8%	9.3%	8.4%	14.9%	22.3%
5	0%	Short US Income (SGOV)	-0.2%	0.4%	1.0%	1.8%	2.9%	3.9%
6	-2%	Very Long US Bonds (EDV)	-2.6%	0.1%	0.0%	0.1%	-2.6%	1.7%
7	-5%	Gold Bullion (GLD)	1.2%	-3.5%	-8.8%	-8.5%	6.4%	23.1%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**21.1%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	8.3%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	3.4%	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: SWITCH to US Small-caps (Fund S)

THIS WEEK the first MIXED-Risk week after 1 Risk-ON:
US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold UP.

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

International Equities (Fund I) still leads in overall confidence, due to smoothing differences, but it has been fading since rate hikes in Europe and Japan two weeks ago. As a result, US Small caps lead in rate of change, TS and PMO, which is positive and improving.

Best Timing Alternative: International Equities are still very bullish, with positive though deteriorating Price Momentum (PMO).

Overall, however, aggressive Lifetime Portfolios outperform more moderate B&H portfolios.

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**International Fund (I)**	**17%**	90%	very bullish	51.4	1.06	positive	deteriorating
2	72%	US Small-caps (S)	**17%**	**110%**	**very bullish**	**60.5**	**2.08**	**positive**	**improving**
3	66%	Lifetime 2060	13%	100%	very bullish	54.7	1.04	positive	deteriorating
4	55%	Lifetime 2050	11%	101%	very bullish	54.9	0.89	positive	deteriorating
5	48%	Lifetime 2040	9%	100%	very bullish	55.1	0.80	positive	deteriorating
6	44%	US Large-caps (C)	9%	94%	very bullish	55.1	0.79	positive	deteriorating
7	38%	Lifetime 2030	7%	100%	very bullish	55.7	0.66	positive	deteriorating
8	20%	Long-term Inc (L)	**4%**	98%	very bullish	57.7	0.42	positive	deteriorating
9	3%	Short-term Inc (G)	1%	101%	very bullish	100.0	0.18	positive	improving
10	-8%	Fixed Income (F)	-1%	72%	bullish	50.7	0.16	positive	improving

TSP Lifetime & Index Funds: Performance Progression

Performance leader Fund I no longer leads YTD after European and Japanese rate hikes in June, but it still leads over 39 and 52 weeks and 3 years. Lately, US small caps have garnered interest over the last 2, 13 and 26 weeks--enough to take over the #1 spot.

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**US Small-caps (S)**	0.7%	**0.5%**	**21.0%**	**17.3%**	16.3%	24.7%	**17.1%**	48.6%
2	International Fund (I)	0.3%	-2.5%	15.6%	18.7%	**22.1%**	**28.2%**	15.6%	**50.4%**
3	Lifetime 2060	1.1%	-1.8%	16.1%	15.0%	16.7%	23.7%	12.8%	44.8%
4	Lifetime 2050	0.9%	-1.4%	13.4%	12.6%	14.3%	20.2%	10.8%	38.4%
5	US Large-caps (C)	1.8%	-1.9%	15.4%	12.0%	13.4%	20.6%	10.0%	40.1%
6	Lifetime 2040	0.8%	-1.3%	11.8%	11.4%	12.9%	18.2%	9.8%	34.7%
7	Lifetime 2030	0.6%	-0.9%	9.4%	9.3%	10.8%	15.3%	8.0%	29.7%
8	Long-term Inc (L)	0.3%	-0.4%	5.3%	5.8%	7.0%	9.6%	5.1%	18.5%
9	Short-term Inc (G)	0.1%	0.1%	1.3%	2.4%	3.4%	4.4%	2.2%	9.0%
10	Fixed Income (F)	-0.5%	0.5%	1.2%	0.7%	1.4%	4.1%	0.6%	10.6%

***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	**12.8%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	10.8%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
TSP Moose	10.5%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2040	9.8%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	8.0%	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

FORESTS AND TREES

This website has always been more about the forest than the trees. It is more concerned with asset classes than markets, more concerned with markets than sectors, more concerned with sectors than single investments. The focus is not on individual equity or bond choices but on exchange traded funds. Call it a top-down approach. It is meant to maximize the benefits inherent is diversification and to avoid ugly surprises.

It was a busy July 4th weekend here in Washington DC, complete with 100 degree-plus heat, a few violent thunderstorms, an occasional power outage, some very squirrely internet behavior, back-to-back world cup distractions, and a lot of family obligations. Hence the Moose is late this week. My apologies.

(I should probably have ended this endeavor when my internet provider abrogated our agreement. Problem is, I am too old to start over, but I hated to drop my efforts in the midst of what has been (for me at least) an historic level of success. There is still value in knowledge even if I'm unable to monetize it.)

This week the Forest tells us that equities continue to be the most attractive asset class out there. Among equities, offshore markets have led their US counterparts for most of 2026 thus far due in large part to US tariffs. Among offshore markets emerging regions have outperformed developed recently. That, however, is changing.

In June central bank rate hikes in Europe and Japan put additional pressure on developed regions. That in turn weakened the outlook for their customers and raw materials providers in emerging regions. Despite tariffs, US stocks began to look relatively more attractive as the Fed continued to hold rates steady.

US large-cap growth and momentum (the AI/Tech trade) has been a domestic leader for years, getting more and more expensive. US small-caps languished during the previous administration's "war on small business" but their prospects have improved since the business tax cut extensions. That and over-valued large-caps are making for a small cap revival at present. Not only are they outperforming US large-caps, they're outperforming international stocks in the latest quarter.

This week we saw a June drop in the unemployment rate. Unfortunately, the drop in the jobless level to 4.2%, the lowest in a year, came largely from an exodus of workers from the labor force. The working-age population either employed or looking for a job slid to 61.5%, the lowest since March 2021. Excluding the Covid-era jobs market, it was the lowest labor force participation rate in exactly 50 years.

The cause may be retirements, undocumented or exiting immigrant laborers, or it may be about prior job seekers simply dropping out of the labor force. (Given the Bureau of Labor Statistics' checkered history, it may even be bad data.) Whatever-- it was enough of a one-time shock to get investors' attention. They decided it meant the Fed will not raise interest rates anytime soon.

Coupled with rate hikes elsewhere, slowing job growth relieves pressure on the US Fed. The odds are 78% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (77%) is still the most likely outcome. That said, our Fed Check has improved from 77 (extremely hawkish) in May to 91 (slightly hawkish) this week.

The Fed Check measures the global inflation threat, and it says that conditions, including rate hikes abroad, falling oil and commodity prices, and a stronger Dollar have taken considerable pressure off the Fed to hike rates in the US. If it continues that should continue to benefit equities and slow the decline in gold.

Big Picture then: The models are rotating out of International and emerging market equities and into US small caps. US large caps are still relatively expensive, but the US equity market has very broad participation. An astounding 82% of US sectors are "buy or hold" (beating the return on cash). More than half (52%) are outperforming the S&P benchmark. There is however, considerable rotational volatility so enjoy, but do pay attention.