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Global Financial News & Analysis
JAN.23.2026 through FEB.01.2026

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EXECUTIVE SUMMARY: JAN.23.2026

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 was the first MIXED-Risk week after two risk-ON. Foreign Stocks MIXED, US Stocks DOWN US Bonds UP Gold UP.

CRAZINESS RETURNS

TDS at Davos made for a disjointed, somewhat crazy mixed-risk week. Gold bullion (+8.7%) and Latin America (+7.7%) rocketed higher this week. US equities continued to languish with large caps (-0.4%) and small caps (-0.4%) both incurring fractional losses as US interest rates rose. (The 10-year hit 4.24% and the 30-day settled at 3.58%.) Japanese equities (-1.1%) also lost ground when investors got nervous over the Federal Reserve doing a rate check on the Japanese Yen, portending a global central bank intervention that could get messy. Meanwhile, Europe (+0.7%) and Asia Pacific (+1.4%) continued to advance. Commodities (+4.4%) and oil (+3.2%) also rallied on a much weaker dollar (-1.9%) The one model change—TSP switched to Fund I (International) from Fund C (US large caps).

GLOBAL OUTLOOK REMAINS POSITIVE 3 of 4). The Baltic Dry Index is lower in the past quarter (13 weeks). Copper and oil prices, along with bond yields are all higher, positives for the global economy.

INFLATION: PCE Inflation Steady and In-Line at 2.7%. Commodity and oil prices up for a fourth week due to concern over political developments in Venezuela and Iran. Ex-Im Prices heat up as tariff regimen gains traction.

US ECONOMIC DATA: Very good weekly report. Income, Spending, Construction, Consumer Sentiment Up

FEDERAL RESERVE: The Fed's balance sheet stands at \$6.58 trillion, with the Fed Funds Rate cut to 3.50-3.75%. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >60-40) is expected June 17 (62%).

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

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications remain positive for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index rose to 1762 this week, and is lower after 13 weeks, a negative signal.** (After opening 2025 at 1072, BDI is still well below its 2010 peak @\$4640.)

Meanwhile, another proxy for world activity, **WTI oil price at 61.28 rose this week, up slightly for the latest quarter, a positive signal.** (Oil remains below its 2022 peak @\$130, but well above its 2020 Covid lows @\$10.)

Our proxy for global construction, **copper (\$5.95) rose this week, but remains higher this quarter, a positive signal.**

Domestically, **10Y US bond yields rose 1 ticks to 4.24% this week and are up over the past 13 weeks, a positive bet** on the largest world economy.

IMF World Economic Outlook (OCT 2025) —

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

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

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

GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose
ETF Rankings
through
JAN.23.2026

This week: Gold leads in regional global momentum since 11/27/2025. (The Global Index Model HOLDS #1 GLD via buy-stop 8/28/25.) Assets are ranked by CI, the “confidence index”. It combines the relative strength (rank), and technical strength (TS). The Trend is based on the TS reading. *Overbought

	CI%	FUND	TS+	READ	RSI	PMO	+/-
1	100%	Gold Bullion (GLD)	122%	very bullish	80.8	3.78	improving
2	94%	Latin America (ILF)	122%	very bullish	86.2	3.86	improving
3	77%	Asia Pacific ex-Japan (AAXJ)	110%	very bullish	70.9	2.47	improving
4	70%	US Small-caps (IWM)	114%	very bullish	61.2	2.19	improving
5	68%	Japan (EWJ)	109%	very bullish	62.7	2.50	improving
6	49%	US Large-caps (SPY)	95%	very bullish	53.5	0.60	deteriorating
7	42%	Europe (IEV)	107%	very bullish	67.1	1.90	deteriorating
8	9%	Very Long US Bonds (EDV)	32%	bearish	51.6	-0.42	improving
9	1%	Short US Income (SGOV)	100%	very bullish	88.7	0.09	improving
		Ryan/CRB Indicator	0.96	no change			
		Volatility Index	17%	very bullish	50	1.62	+improving
		US Dollar (UUP)	19%	very bearish	31	-.66	- improving
		Commodities (DBC)	106%	very bullish	72	1.02	+improving
		US Oil (USO)	65%	bullish	54	1.02	+improving

GLOBAL RANKING: TECHNICAL OVERVIEW

#1. Gold Bullion (GLD) Pushes Ever Higher--

GLD rose 8.7% this week, following last week's 1.6% gain, leaving it ranked #1 globally and more attractive than cash. Most recently, GLD is up 13.6% for the quarter, up 79.2% for the year, and very bullish.

#2. Latin America 40 (ILF) Surges On--

ILF rose 7.7% this week, following last week's 2.0% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 28.3% for the quarter, up 69.4% for the year, and very bullish.

#3. Asia-Pacific ex-Japan (AAXJ) Ploughs Higher--

AAXJ was up 1.4% this week, following last week's 1.2% gain, leaving it ranked #3 globally and more attractive than cash. The index is up 8.9% for the quarter, up 42.4% for the year, and very bullish.

#4. US Small-Cap Stocks (IWM) Dip From Overbought--

IWM fell -0.4% this week, following last week's 2.1% gain, leaving it ranked #4 globally and more attractive than cash. The index is up 7.1% for the quarter, up 16.8% for the year, and very bullish.

#5. Japanese Stocks (EWJ) Fall Amid Bond Uncertainty--

EWJ fell -1.1% this week, following last week's 1.0% gain, leaving it ranked #5 globally and more attractive than cash. Japan is up 9.2% for the quarter, up 36.8% for the year, and very bullish.

#6. US Large-Cap Stocks (SPY) Recover Most of Their "Davos Dip"--

SPY fell 0.4% this week, following last week's -0.4% loss, leaving it ranked #6 globally and more attractive than cash. The index is up 3.3% for the quarter and up 15.1% for the year. US equity sector momentum is positive, and breath stays broad and steady-- 89% of our sectors are buy or hold (L89%). **"Buys"** include Gold Miners, Semiconductors, Biotech, Bitcoin, and Technology. **"Avoids"** include REITs, Healthcare Providers, Consumer Staples, Food & Beverage

#7. European Large-Cap Stocks (IEV) Slows As Davos Opens, Posts High At the End--

IEV rose 0.7% this week, following last week's 0.5% gain, leaving it ranked #7 globally and more attractive than cash. Europe is up 9.1% for the quarter and up 34.7% for the year and very bullish.

#8. US Long Treasury Bonds (EDV) Recover "Davos Dip"--

EDV rose 0.2% this week, following last week's 0.0% flat showing, leaving it ranked #8 globally and more attractive than cash. Long bonds are down 5.4% for the quarter and -0.3% for the year and bearish.

#9. Cash & Income Yields Up Again--

The US Treasury 10-year yield finished the week up 1 tick at 4.24%, and the 3-month yield was up 7 at 3.58%, leaving the yield curve slightly flatter but still positively sloped at 66 basis points.

Commodities (CRB Index) Rally as Dollar Weakens--

A very bullish CRB rose 4.4% this week after last week's 1.1% gain. Commodity prices are up 9.0% for the quarter and up 8.2% for the year. Oil prices (USO) also rose (3.2%) this week, following last week's 1.2% gain, but are currently very bearish.

US Dollar Tanks:

UUP fell 1.9% this week, following last week's 0.4% gain. It is currently very bearish—down 3.1% for the quarter (13 weeks), and up 8.4% in the last year (52 weeks).

US ECONOMY: GOV'T DATA

Income, Spending, Construction, Consumer Sentiment Up

US Economy:
week of
JAN.23.2026

THIS WEEK: BROADLY GOOD

THE GOOD: WEEKLY EIA Crude Oil Inventories: (+3.60M) build down from (+3.39M) build as oil up. WEEKLY Initial Claims (200K) in line with consensus and prior.

WEEKLY Continuing Claims (1849K) down from previous. JAN S&P Global U.S. Manufacturing PMI Prelim (51.9) expanding. JAN S&P Global U.S. Services PMI – Prelim (52.5) positive, flat. JAN Univ. of Michigan Consumer Sentiment – Final (56.4) expanding and improved. NOV Personal Income (+0.3%) above prior, in line with consensus. NOV Personal Spending (+0.5%) beat consensus in line with prior. OCT Construction Spending (+0.5%) beat consensus and previous. OCT Personal Spending (+0.5%) stronger than forecasts and prior.

THE BAD: DEC Pending Home Sales (-9.3%) below consensus and prior. NOV Leading Economic Index (-0.3%) still negative. OCT Personal Income (+0.1%) weaker than forecasts and prior. SEP Construction Spending (-0.6%) below consensus and prior.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

PCE Inflation Steady and In-Line at 2.7%

US Inflation:
week of
JAN.23.2026

DEC CPI (+0.3%) in line m-t-m. (1-yr = 2.7%)
DEC Core CPI (+0.2%) in line m-t-m. (1-yr = 2.6%)
NOV PPI (+0.2%) up m-t-m. (1-yr = 3.0%)
NOV Core PPI (0.0%) flat m-t-m. (1-yr = 3.0%)
NOV Import Prices (+0.4%) hotter than prior m-t-m. (1-yr = 0.1% cool)
NOV Export Prices (+0.5%) hotter than prior m-t-m. (1-yr = 2.6% in-line)

NOV PCE Price Index (+0.2%) in line. (1yr 2.7%)

NOV Core PCE Price Index (+0.2%) In line. (1yr 2.8%)

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

OCT Core PCE Price Index in line with consensus and prior. (1yr 2.8%)

Q3 GDP-Adv (+4.3%) up from Q2 (+3.8%).

Q3 GDP Deflator-Adv. (+3.8%) hotter than Q2 (+2.1)

Q3 GDP – R3 (+4.4%) beat consensus.

Q3 GDP Deflator – R3 (+3.8%) in line.

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

Q3 Productivity-Prel (+4.9%) improved from previous more than expected.

Q3 Unit Labor Costs-Prel (-1.9%) unexpectedly declined.

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

US ECONOMY: RECESSION & GDP INDICATORS

NY FED: RECEDING MINIMAL RECESSION THREAT

US recession chances one year out: 20.36% (DEC 2026) per NY Fed. (Recession expected if chance > 30%.) As of May 2025, the Fed model's chance of recession fell below 30%, the threshold signaling a recession one year out. It remains there. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics.

ATLANTA FED: US Q4 GDP NOW Soars to 5.4% Atlanta Fed Current GDP Model (1/22/2026): Q4 Annualized +5.4% (Last week: Q4 Annualized +5.3%)

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

Federal Reserve:
week of
JAN.23.2026

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

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

Currently, the Fed's balance sheet is 6.58T, (unch .00) in the latest week (1/21/2025). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. The next FOMC meeting is January 28.

The Fed Check at 96% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.607%, however, is about 2 bps LOWER than the Fed overnight rate (3.625%), implying US domestic conditions should merit at least one more Fed rate cut.

CME Fed futures remain sure that there will be no Fed rate hikes in the near future. Meanwhile, futures make a 2026 rate cut unlikely until Chairman Powell is gone. Odds don't exceed 50% until June's 61% CME read.

The 3m-10y yield curve flattened this week, going from a positive slope of 67 bps to one of 66 bps, as the 10-year US Treasury yield rose 1 bpt to 4.24%, and the 3-month cash yield rose 2 ticks to 3.58%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The 30d-10y median yield is below its 200-day and still falling, leaving our interest rate signal for stocks bearish.

3-month SOFR yield at 3.64% is down this week, while the 3-month T-bill at 3.58% is up. That puts the SOFR/T-Bill (SOF-T) spread at 6 basis points, below its 200-day average of 20 bps. A falling SOF-T spread signals a safer, more confident financial system.

FED OVERALL THIS WEEK: FELL INTO NEUTRAL (0) LW: DOVISH (+1)

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

Latest FOMC Assessment (2025.12.10) Available indicators suggest that economic activity has been expanding at a moderate pace. Job gains have slowed this year, and the unemployment rate has edged up through September. More recent indicators are consistent with these developments. Inflation has moved up since earlier in the year and remains somewhat elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate and judges that downside risks to employment rose in recent months. In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point to 3-1/2 to 3-3/4 percent. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will consider a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. The Committee judges that reserve balances have declined to ample levels and will initiate purchases of shorter-term Treasury securities as needed to maintain an ample supply of reserves on an ongoing basis. **(Next FOMC meeting: 2026.1.28)**

US Currency Market: US DOLLAR Tanks



US Dollar: UUP fell 1.9% this week, following last week's 0.4% gain. It is currently very bearish—down 3.1% for the quarter (13 weeks), and up 8.4% in the last year (52 weeks). At 27, UUP is below its short-term (50-day) average at 28, and below its intermediate-term (200-day) average at 28. Momentum in the greenback is negative but improving. RSI14 at 31.7 is verging on oversold. A cheaper Dollar this week enhanced returns on foreign assets, commodities, and gold.

The Fed carried out Dollar rate checks vs the Yen on Friday suggesting some sort of US and Bank of Japan central bank intervention to arrest the slide in the Yen may be afoot. Basically, the Dollar is now worth about what it was when the tariffs were first announced, but 9% weaker than its value when Trump took office. A weaker Dollar often coincides with easier US financial conditions, improving global liquidity and stronger commodity and emerging market trade balances and US tariffs— all of

which we have seen of late. It primarily benefits emerging markets, commodity exporters, and value/cyclical foreign markets. No surprise that gold and emerging markets have been excelling. Most major currencies are bullish or neutral versus the Dollar, only the Yen is bearish. Europe and Japan are major trading partners, and they still have easier monetary policies than the US, but that is changing. US tariffs on the other hand dampen US economic performance and weaken the Dollar. As for other major currencies vs. the Dollar, the Euro is bullish and up 2.0% this week. The Yen is very bearish but up 1.4%. The Pound is bullish and up 1.9%. The Canadian dollar is bullish and up 1.7%. The Australian dollar is very bullish and up 3.2%, and the Swiss Franc is neutral and up 2.7%.

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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	ROC	TS	READ	US \$ investors in Foreign Assets
Australian \$ (FXA)	4%	101%	very bullish	US\$ Investors outperform hedged
British Pound (FXB)	-1%	67%	bullish	US\$ Investors outperform hedged
Canadian Dollar (FXC)	-1%	69%	bullish	US\$ Investors outperform hedged
Euro Dollar (FXE)	2%	64%	bullish	US\$ investors outperform hedged (IEV=HEDJ)
Swiss Franc (FXF)	3%	59%	neutral	US\$ investors match hedged
Japanese Yen (FXY)	-9%	2%	very bearish	US\$ investors underperform hedged (EWJ<DXJ)
US Dollar (UUP)	-1%	19%	very bearish	

US Bond Market: #8 BONDS Edge Higher After Davos Dip



US Long Treasury Bonds: EDV rose 0.2% this week, following last week's 0.0% flat showing, leaving it ranked #8 globally and more attractive than cash. Long bonds are down 5.4% for the quarter and -0.3% for the year and bearish. The ten year at 4.24%, and the 3-month yield at 3.56% remained elevated, leaving the yield curve positively sloped at 66 bps. That reduces the odds of a recession in late 2026. Technically, US long bonds are bearish, and at 66 EDV is above its short-term (50-day) average at 66, and above its intermediate-term (200-day) average at 66. Momentum (PMO) is negative but improving, and its 14-day RSI of 52 means EDV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week enhanced returns on foreign assets, commodities, and gold.

Bond prices, after a long ride up have corrected about 10% since the October Fed rate cut, putting bond prices back where they were when Trump took office. Lower bond prices usually reflect

an improving economy, but truncated government data hasn't provided much definitive clarity to the economic situation. It is difficult to gauge where we are headed when we don't know exactly where we've been for the previous two years and have been taught not to trust the data we're being given. December payrolls (50K) were anemic, but no longer negative, and the unemployment rate fell. Moreover, Q4 "GDP Now" estimates spiked above 5%. Q4 productivity has soared, sending unit labor costs lower. Tariffs cut the October monthly trade deficit (-\$29B) to half that of the month before (-\$59B). Absent another government shutdown, there are signs we could be off to the races in 2026.

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market: #6 US LARGE-CAPS Recover “Davos Dip”



US Large-Cap Stocks: SPY fell 0.4% this week, following last week's -0.4% loss, leaving it ranked #6 globally and more attractive than cash. The index is up 3.3% for the quarter and up 15.1% for the year and very bullish. At 689.23 SPY is above its short-term (50-day) average at 679.78, and above its intermediate-term (200-day) average at 627.81. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 53.5 means SPY is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week enhanced returns on foreign assets, commodities, and gold.

SPY gapped down at Tuesday's open after the MLK holiday as western financial elites met in Davos Switzerland. The United States, it was reported, was about to invade Greenland, stealing it from Denmark, and wiping out NATO in the process. (China and Russia could only dream.) It was another case of TDS foolishness providing yet another buying opportunity in US equities and of

course in gold. SPY finished the week fractionally lower after a nice three-day rally. Uncertainties regarding the Federal shutdown, taxation, fiscal spending, and the debt ceiling are behind us, and the new tax regime will be kicking in. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish. On the bearish side, self-inflicted taxes on imports have kept US stocks from going through the roof, helping emerging markets, at least pending the Supreme Court ruling on tariffs.

ETF Breakdown: 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: #4 US SMALL-CAPS Dip From Overbought



US Small-Cap Stocks: IWM fell -0.4% this week, following last week's 2.1% gain, leaving it ranked #4 globally and more attractive than cash. The index is up 7.1% for the quarter, up 16.8% for the year, and very bullish. At 265 IWM is above its short-term (50-day) average at 250, and above its intermediate-term (200-day) average at 227. Its momentum (PMO) is positive and improving, and its 14-day RSI of 61 means IWM is neither overbought nor oversold. As for currency, a cheaper Dollar enhanced returns for dollar investors in US assets. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces trade competitiveness.

January is considered the season for small caps, especially if interest rates are expected to fall. This January is no exception as small caps are among the strongest assets we track halfway through January. Uncertainties regarding a Federal shutdown, taxation, fiscal

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

ETF Breakdown: IWM-- A cap-weighted index fund. **Countries:** US (99%). **Top Sectors:** Finance (22%), Health Technology (12%), Technology Services (12%), Producer manufacturing (8%), Electronic Technology (7%), Industrial Services (4%), Energy Minerals (4%), Commercial services (4%), Consumer services (3%), Process industries (3%).

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US Equity Market Top Sectors:

Gold Miners, Semiconductors, Oil Equip & Serv, Biotech, Pharma,

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

This week's US equity sector momentum is positive; breath is broad and unchanged-- 81% of our sectors are buy or hold (L81%) with **BUYS** now 33% (L33%) and **HOLDS** now 48% (L48%). **AVOIDS** are currently 19% (L19%). Potential "Buys" include Gold Miners, Semiconductors, Biotech, Pharma, Oil Equipment & Services. "Avoids" include Food & Beverage, Consumer Staples, Healthcare Providers, REITs, and Insurance.

CI%	Description	ROC	TS	READ	RSI		PMO	+/-	Condition
100%	Gold Miners (GDX)	99%	142%	very bullish	79.8		7.02	positive	improving
66%	Semiconductors (SMH)	55%	122%	very bullish	64.1		3.66	positive	improving
46%	US Oil Equip & Serv (IEZ)	43%	127%	very bullish	74.3		4.80	positive	improving
45%	Biotechnology (IBB)	36%	110%	very bullish	58.2		1.48	positive	improving
39%	US Pharmaceuticals (IHE)	32%	113%	very bullish	57.9		1.83	positive	deteriorating
33%	US Aerospace & Def (PPA)	31%	120%	very bullish	67.5		4.17	positive	improving
29%	US Technology (IYW)	21%	64%	bullish	49.8		0.01	positive	deteriorating
27%	Bitcoin (BLOK)	21%	63%	bullish	54.2		1.02	positive	improving
25%	Telecom (FCOM)	17%	87%	very bullish	56.5		0.66	positive	deteriorating
22%	KB Banks (KBE)	19%	107%	very bullish	52.4		1.88	positive	deteriorating
21%	S&P 500 (SPY)	15%	95%	very bullish	53.5		0.60	positive	deteriorating
20%	Retail (XRT)	15%	97%	very bullish	53.0		1.76	positive	deteriorating
20%	Transports (IYT)	16%	104%	very bullish	52.8		1.57	positive	deteriorating
19%	Capital Markets (KCE)	17%	102%	very bullish	55.4		2.09	positive	improving
18%	Media Portfolio (XLC)	12%	63%	bullish	53.7		0.23	positive	deteriorating
17%	Home Construction (XHB)	18%	96%	very bullish	54.7		2.03	positive	improving
16%	Industrials (XLI)	15%	109%	very bullish	59.1		2.02	positive	improving
13%	Select Materials (XLB)	13%	113%	very bullish	74.5		3.00	positive	improving
10%	Oil/Gas Expl & Prod (XOP)	8%	97%	very bullish	63.2		0.81	positive	improving
8%	Utilities (XLU)	8%	49%	neutral	45.3		-0.31	negative	improving
6%	DJ Internet Index (FDN)	0%	18%	very bearish	42.8		-1.01	negative	deteriorating
5%	US Health Providers (IHF)	4%	85%	very bullish	58.9		0.77	positive	improving
3%	REITs (VNQ)	3%	90%	very bullish	53.7		0.41	positive	improving
3%	Software (XSW)	-4%	15%	very bearish	39.2		-1.30	negative	deteriorating
2%	CASH	2%	65%	bullish	50.8		0.01	positive	deteriorating
2%	US Medical Devices (IHI)	-1%	53%	neutral	33.6		-0.24	negative	deteriorating
0%	KBW Insurance (IAK)	-2%	29%	bearish	36.8		-0.46	negative	deteriorating
-1%	Consumer Staples (XLP)	3%	101%	very bullish	73.9		1.59	positive	improving
-5%	Food & Beverage (PBJ)	0%	82%	very bullish	68.2		1.06	positive	improving

US Sector Top Performers: YTD (1/23/26)

YTD	Description	THIS wk	LAST wk	13wk	26wk	Read	RSI	PMO	condition
25%	Gold Miners (GDX)	10.1%	5.1%	32.4%	111.5%	very bullish	79.8	702.3%	improving
19%	US Oil Equip & Serv (IEZ)	4.4%	3.0%	36.2%	45.2%	very bullish	74.3	480.2%	improving
13%	US Aerospace & Def (PPA)	-2.2%	5.3%	14.9%	20.8%	very bullish	67.5	416.6%	improving
11%	Semiconductors (SMH)	-0.1%	2.9%	17.4%	37.7%	very bullish	64.1	366.3%	improving
11%	Bitcoin (BLOK)	-4.2%	6.6%	-14.2%	3.0%	bullish	54.2	102.2%	improving
10%	Select Materials (XLB)	2.6%	0.9%	13.3%	12.1%	very bullish	74.5	300.0%	improving
8%	Home Construction (XHB)	-2.5%	1.2%	3.8%	9.4%	very bullish	54.7	202.7%	improving
7%	Oil/Gas Explor & Prod (XOP)	3.8%	2.3%	8.2%	6.1%	very bullish	63.2	81.2%	improving
7%	Consumer Staples (XLP)	1.0%	3.6%	5.5%	3.7%	very bullish	73.9	159.1%	improving
6%	Industrials (XLI)	-1.6%	3.1%	8.0%	9.0%	very bullish	59.1	201.6%	improving

INTERNATIONAL MARKETS: #1 GOLD Pushes Ever Higher



Gold Bullion: GLD rose 8.7% this week, following last week's 1.6% gain, leaving it ranked #1 globally and more attractive than cash. Most recently, GLD is up 13.6% for the quarter, up 79.2% for the year, and very bullish. At 458 GLD is above its short-term (50-day) average at 400, and above its intermediate-term (200-day) average at 340. Its momentum (PMO) is positive and improving, and its 14-day RSI of 81 means GLD is overbought. As for currency effects, a cheaper Dollar enhanced returns on commodities and gold.

GLD gapped higher on Tuesday's open after the MLK holiday as western financial elites met in Davos Switzerland. The United States, it was reported, was about to invade Greenland, stealing it from Denmark, and wiping out NATO in the process. (China and Russia could only dream.) It was yet another instance of Trump Derangement Syndrome creating yet another buying opportunity in

gold as the metal again broke to new highs this week. It holds #1 just below all time highs. Cheaper US money is potentially inflationary and good for gold, and the Fed is still in easing mode with another rate cut expected in April. after Powell is out. Additional bullish indications for gold include ongoing central bank purchases, Chinese consumer buying, latent inflation fears, a sense of major disruption in the way the US government is doing things, a large persistent US deficit, and geopolitical tension in Iran, Venezuela, and the Black Sea. Traditional threats to bullion are not in evidence. Neither global recession (as evidenced by a very bullish bond market and falling yields) nor a severe equity market panic (evidenced by margin calls that require investors to sell their best performers to cover) appears likely.

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INTERNATIONAL MARKETS: COMMODITY Prices Gap to Peak Again



Commodities: A very bullish CRB rose 4.4% this week after last week's 1.1% gain. That left commodity prices up 9.0% for the quarter (13 weeks) and up 8.2% for the year (52 weeks). At 24 the CRB is above its short-term (50-day) average at 23, and above its intermediate-term (200-day) average at 22. Its momentum (PMO) is positive and improving, and its 14-day RSI of 72 means the CRB is overbought.

Crude Oil: Meanwhile, oil prices (USO) rose 3.2% this week, following last week's 1.2% gain, and are currently very bearish. That leaves US oil prices up 7.2% for the quarter (13 weeks) and up 8.1% for the year (52 weeks). At 74, USO is above its short-term (50-day) average at 70, and above its intermediate-term (200-day) average at 72. Its momentum (PMO) is positive and improving, and its 14-day RSI of 60 means oil is neither overbought nor oversold. A cheaper Dollar enhanced returns on commodities.

Global security concerns devolving from unrest in Iran and

the Black Sea is impacting oil prices. While the US takeover of Venezuela's oil resources will likely increase oil supply and lower prices later in 2026, as "drill, baby, drill" does the same in the US, current street violence in Iran could mean prices go higher near term. The end of the summer driving season helped drop West Texas Intermediate crude prices into the mid-fifties in October. Unfortunately, sporadic geopolitical uncertainty in the Middle East and in Ukraine continues to interrupt that progress. Meanwhile, commodities and bonds are still in global balance, with the Fed Check suggesting a neutral rate stance by the Fed.

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INTERNATIONAL EQUITIES:

#7 EUROPE Slows As Davos Opens, Posts High At the End



European Large-Cap Stocks:

IEV rose 0.7% this week, following last week's 0.5% gain, leaving it ranked #7 globally and more attractive than cash. Europe is up 9.1% for the quarter and up 34.7% for the year and very bullish. At 71, it is above its short-term (50-day) average at 67, and above its intermediate-term (200-day) average at 63. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 67 means IEV is neither overbought nor oversold. As for currency effects, a cheaper Dollar enhanced returns on foreign assets.

Fed rate cuts prompted IEV's take-off and it is still going. Recent European Central Bank communication has also strengthened confidence that policy easing is coming, even if gradual. With euro-area inflation continuing to cool and growth stabilizing, markets are discounting lower real rates ahead. Cheaper US money is good for European stocks, and the tariff situation is less of a problem for Europe than it is for

US consumers and business. NOTE: A neutral to slightly bullish Euro vs. Dollar keeps IEV slightly underperforming the hedged version (HEDJ) of European equities.

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

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INTERNATIONAL EQUITIES: #4 JAPAN's Bonds Gain Equities' Attention



Japanese Stocks: EWJ fell -1.1% this week, following last week's 1.0% gain, leaving it ranked #5 globally and more attractive than cash. Japan is up 9.2% for the quarter, up 36.8% for the year, and very bullish. At 85, it is above its short-term (50-day) average at 80, and above its intermediate-term (200-day) average at 72. Its momentum (PMO) is positive and improving, and its 14-day RSI of 63 means EWJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar enhanced returns on foreign assets.

Japanese equity strength is due to Yen weakness boosting exporters and raising the yen value of overseas earnings for Japan's large export-heavy companies. Lately, however, the weak yen has become a cause for central bank concern. The Fed carried out Dollar rate checks vs the Yen on Friday suggesting some sort of US and Bank of Japan central bank intervention to arrest the slide in the Yen may be afoot. Anytime the financial systems of the two largest free

economies in the world require an intervention, odds are things will go south, so pay attention. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ) of Japanese equities preferable to the dollar version we track (EWJ). Also, expect recent upside gaps to be filled.

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

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INTERNATIONAL EQUITIES: #3 Overbought ASIA-PACIFIC Ploughs Higher



Asia-Pacific ex-Japan: AAXJ was up 1.4% this week, following last week's 1.2% gain, leaving it ranked #3 globally and more attractive than cash. The index is up 8.9% for the quarter, up 42.4% for the year, and very bullish. At 100, it is above its short-term (50-day) average at 93, and above its intermediate-term (200-day) average at 84. Its momentum (PMO) is positive and improving, and its 14-day RSI of 71 means AAXJ is overbought. As for currency effects, a cheaper Dollar enhanced returns on foreign assets.

Cheaper US money is good for US export demand everywhere. It puts Asian equities in the number 3 slot in the regional index model and better than cash. It lags #1 Gold but only fractionally. US tariffs are the reason foreign stocks have been outperforming US equities, and the tariff situation is more of a problem for Asian exporters (particularly China and India) than it is for other regions. Nevertheless, Asian equity markets (AAXJ +35) remain comparably attractive to

US stocks (VTI +9). South Korea (EWY +108) is a standout. Hong Kong (EWH +40) and Taiwan (EWT +27) are doing well. Singapore (EWS +28) and China (FXI +27) lag the US. Australia (EWA 10) and India (PIN 2) are struggling due to US tariff issues.

ETF Breakdown: AAXJ-- A cap-weighted index fund. **Countries:** Hong Kong (36%), Taiwan (17%), India (16%), Korea (14%), Mainland China (4%), Singapore (4%), Thailand (2%), Indonesia (2%), Malaysia (2%), US (1%). **Top Sectors:** Finance (24%), Electronic Technology (20%), Technology Services (10%), Retail (7%), Consumer non-durables (5%), Consumer durables (4%), Producer manufacturing (4%), Transportation (4%), Energy (4%), Health Technology (3%).

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INTERNATIONAL EQUITIES: #2 LATIN AMERICA Surges On



Latin America 40: ILF rose 7.7% this week, following last week's 2.0% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 28.3% for the quarter, up 69.4% for the year, and very bullish. At 35 it is above its short-term (50-day) average at 31, and above its intermediate-term (200-day) average at 26. Its momentum (PMO) is positive and improving, and its 14-day RSI of 86 means ILF is overbought. As for currency effects, a cheaper Dollar enhanced returns on foreign assets. It also makes repaying dollar-denominated debt tougher.

The December Fed rate cut has been well received abroad. Cheaper US money is good for US export demand everywhere. It briefly propelled Latin equities into the number 1 slot in the regional index model in December, and it remains in #2 this week. US tariffs are the reason foreign stocks are outperforming US equities, and the tariff situation is less of a problem for Latin exporters than it is for other regions. Cheaper US

money is good for Latin stocks, and US consumers and business. Latin stocks (ILF +57 have outperformed their US cousins (VTI +9 since the tariff announcement 4/25. Chile (ECH +71), Colombia (COLO +83), Brazil (EWZ +53), and Mexico (EWW +52) are strongest, while Argentina (ARGT +9) continues to dig itself out of its most recent leftist hole. Canada (EWC +56) which is not in ILF, but a key player in the Americas continues to beat most players in the hemisphere despite facing 35% tariffs on the 60% of its exports not covered by USMCA.

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

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INVESTMENT STRATEGIES: PASSIVE DIVERSIFIED: BUY-AND-HOLD

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

Passive Buy-and-Hold Strategies TOP Buy and Hold Strategy: Aggressive Growth (AOA)

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

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
76%	(AOA) Aggressive Growth	12%	102%	very bullish	61.7	0.89	positive	deteriorating
51%	(AOM) Moderate Growth & Inc	8%	101%	very bullish	59.8	0.64	positive	deteriorating

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
2.4%	(AOA) Aggressive Growth	0.2%	-0.1%	5.1%	11.4%	27.0%	19.7%	41.3%
1.2%	(AOM) Moderate Growth & Inc	0.1%	-0.1%	3.7%	8.4%	16.5%	14.2%	26.7%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.8%	(AOA) Aggressive Growth	89.43	91.67	91.85	91.85	68.45	89.38	83.41
99.6%	(AOM) Moderate Growth & Inc	47.70	48.31	48.50	48.50	41.20	47.50	45.23

Market Timing v. Diversified Buy & Hold: Performance

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	15.6%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	2.4%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	1.2%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
US Strategy Moose	0.6%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
S&P Benchmark	-0.8%	14.5%	24.5%	24.3%	-19.5%					

The Index Model crushed all competitors in 2025. It has outperformed in three of the last ten years.

US Strategy Moose has outperformed in six of the last 10 years.

In total, one of our two timing models has outperformed buy-and-hold in nine of the last ten years.

For buy and hold investors: Aggressive (AOA) is outperforming more moderate (AOM) diversifications.

The table above covers the last decade and illustrates several points: (1) Success of any one strategy can be highly variable year-to-year. (2) Just because it worked last year doesn't mean it will next year. (3) Buy-and-hold is preferable in a bull market with few lasting or deep corrections amid trendless volatility. (4) When stocks are trending strong, aggressive buy-and-hold is best, but when stocks go bearish it can be a huge loser. (5) To avoid substantial losses, buy-and-hold investors should have a separate exit plan, whereas such plans are implicit in index targeting (a loss-minimization strategy). (6) Market timing is most profitable when there is one predominant asset choice, or in extended bear market scenarios.

INVESTMENT STRATEGIES: THE US EQUITY STRATEGY TIMING MODEL

USE Strategy: HOLD US Growth

The USES Model is an equity only construct for determining the optimum equity strategy for the US large cap stock portion of one's portfolio. It monitors and ranks US equity strategies (as represented by the most popular smart-beta ETFs based on volume and capitalization) using our momentum methodology. The 7 US equity strategies include US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight.

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

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

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	(IUSG) US Growth	14%	77%	bullish	52	0.33	positive	deteriorating
2	90%	(SPY) US Large-caps	13%	95%	very bullish	54	0.60	positive	deteriorating
3	79%	(IUSV) US Value	13%	104%	very bullish	57	1.09	positive	deteriorating
4	72%	(QUAL) US Fundamentals	11%	99%	very bullish	56	0.91	positive	deteriorating
5	69%	(SPYD) US High Dividend	13%	111%	very bullish	67	2.52	positive	improving
6	59%	(RSP) S&P Equal Weight	10%	105%	very bullish	58	1.27	positive	improving
7	56%	(MTUM) US Momentum	9%	80%	bullish	52	0.82	positive	deteriorating
8	13%	(SGOV) Cash	2%	88%	very bullish	79	0.08	positive	improving
9	-1%	(SHY) Short Income	0%	50%	neutral	50	-0.01	negative	deteriorating
10	-16%	(SPLV) US Low Volatility	-1%	87%	very bullish	58	0.52	positive	improving

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

Best S&P Strategies

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

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

YTD	Description	THIS	LAST	13wk	26wk	39wk	52wk	3Y	YTD
1	(SPYD) US High Dividend	0.1%	1.6%	10.2%	12.3%	19.9%	12.9%	38.6%	4%
2	(RSP) S&P Equal Weight	-0.1%	0.6%	5.9%	9.1%	24.2%	11.7%	33.4%	4%
3	(IUSV) US Value	-0.4%	0.1%	6.1%	11.3%	25.0%	13.4%	32.5%	2%
4	(MTUM) US Momentum	-1.1%	-0.2%	0.8%	7.6%	32.3%	16.6%	62.3%	2%
5	(QUAL) US Fundamentals	-0.3%	-0.5%	5.3%	10.9%	27.1%	11.8%	39.9%	2%
6	(SPLV) US Low Volatility	-0.7%	1.8%	0.5%	0.8%	1.8%	2.9%	16.8%	2%
7	(SPY) US Large-caps	-0.4%	-0.5%	4.2%	10.8%	32.7%	15.4%	49.1%	1%
8	(IUSG) US Growth	-0.3%	-0.8%	3.2%	10.6%	40.3%	16.8%	62.4%	1%
9	(SGOV) Cash	0.0%	0.1%	0.7%	1.8%	2.9%	3.9%	9.4%	0%
10	(SHY) Short Income	0.1%	0.0%	-0.2%	1.4%	2.0%	3.9%	8.0%	0%

INVESTMENT STRATEGIES: THE GLOBAL INDEX TIMING MODEL

TOP Index Model Move: HOLD GLD

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

THIS WEEK was the first MIXED-Risk week after two risk-ON. Foreign Stocks MIXED, US Stocks DOWN US Bonds UP Gold UP. The Global Index Model continues to outperform the S&P, all Buy-and-Hold allocations, and the USES and TSP models in a major way. Index Moose HOLDS #1 Gold (GLD) via buy-stop since 8/28/25. Emerging markets (EEM) and US small caps (IWM) are coming on strong this month, but they are verging on overbought. Gold continues to lead the Index Model in technical strength, PMO, and quarterly performance.

CI%	FUND	TS+	READ	RSI	PMO	+/-	condition	CI%
100%	Gold Bullion (GLD)	122%	very bullish	80.8	3.78	positive	improving	100%
74%	Emerging Markets (EEM)	110%	very bullish	72.5	2.33	positive	improving	74%
70%	US Small-caps (IWM)	114%	very bullish	61.2	2.19	positive	improving	70%
49%	US Large-caps (SPY)	95%	very bullish	53.5	0.60	positive	deteriorating	49%
46%	Developed Markets (EFA)	107%	very bullish	66.3	1.97	positive	deteriorating	46%
9%	Very Long US Bonds (EDV)	32%	bearish	51.6	-0.42	negative	improving	9%
1%	Short US Income (SGOV)	100%	very bullish	88.7	0.09	positive	improving	1%

	YTD	Description	THIS	LAST	13wk	26wk	39wk	52wk	3Y
1	15.6%	Gold Bullion (GLD)	8.7%	1.6%	13.6%	52.2%	50.8%	79.2%	144.4%
2	8.0%	Emerging Markets (EEM)	2.1%	1.3%	9.1%	22.9%	39.8%	40.0%	58.7%
3	7.6%	US Small-caps (IWM)	-0.4%	2.1%	7.1%	20.3%	40.2%	16.8%	41.9%
4	4.1%	Developed Markets (EFA)	0.4%	0.7%	9.9%	19.2%	26.2%	34.5%	48.7%
5	1.4%	Very Long US Bonds (EDV)	0.2%	0.0%	-5.4%	2.4%	0.9%	-0.3%	-10.8%
6	1.1%	US Large-caps (SPY)	-0.4%	-0.3%	3.3%	9.6%	30.4%	15.1%	49.1%
7	0.2%	Short US Income (SGOV)	0.0%	0.1%	0.4%	0.2%	0.3%	0.3%	0.4%

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. In 2026, the TSP Timing Model is lagging Lifetime Funds. For buy and hold (Lifetime) investors: Relative strength in equities over income means aggressive portfolios are out-performing moderate and conservative Lifetime choices.

The TSP Model: SWITCH to International Equities (Fund I)

THIS WEEK was the first MIXED-Risk week after two risk-ON. Foreign Stocks MIXED, US Stocks DOWN US Bonds UP Gold UP. TSP Moose SWITCHED to International Funds (Fund I) via CI on 1/21/26 (@57.55).

*All TSP funds with an equity component are working off buy-stops this week. Fund I holds the TSP Model's #1 spot per confidence index, price momentum, technical strength and RSI. Fund I is close to overbought. A dip is possible.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	International stocks (I)	16%	108%	very bullish	66.8	1.93	positive	improving
2	100%	US Small-caps (S)	16%	105%	very bullish	57.2	1.46	positive	improving
3	96%	Lifetime 2060	14%	103%	very bullish	62.0	1.14	positive	deteriorating
4	94%	US Large-caps (C)	13%	92%	very bullish	53.3	0.54	positive	deteriorating
5	80%	Lifetime 2050	12%	103%	very bullish	62.3	0.96	positive	deteriorating
6	71%	Lifetime 2040	11%	102%	very bullish	62.6	0.87	positive	deteriorating
7	59%	Lifetime 2030	9%	101%	very bullish	63.1	0.73	positive	deteriorating
8	28%	Long-term Inc (L)	4%	101%	very bullish	66.1	0.44	positive	deteriorating
9	17%	Fixed Income (F)	2%	79%	very bullish	53.1	0.09	positive	deteriorating
10	2%	Short-term Inc (G)	0%	98%	very bullish	100.0	0.17	positive	improving

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

TSP Lifetime & Index Funds: Performance Progression

	FUND	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	International stocks (I)	0.1%	0.1%	10.1%	17.2%	31.7%	34.1%	5.2%	48.1%
2	US Small-caps (S)	1.0%	1.3%	4.2%	12.0%	36.3%	10.7%	5.0%	38.5%
3	Lifetime 2060	0.1%	0.3%	5.6%	12.9%	32.3%	20.7%	3.0%	45.7%
4	Lifetime 2050	0.1%	0.3%	4.8%	11.1%	27.0%	18.1%	2.5%	39.0%
5	Lifetime 2040	0.1%	0.2%	4.4%	10.0%	23.9%	16.5%	2.2%	35.2%
6	Lifetime 2030	0.1%	0.2%	3.8%	8.6%	20.2%	14.4%	1.8%	30.6%
7	US Large-caps (C)	0.1%	0.4%	3.0%	10.3%	32.0%	14.8%	1.1%	45.9%
8	Long-term Inc (L)	0.1%	0.1%	2.5%	5.2%	10.7%	9.1%	1.0%	18.4%
9	Short-term Inc (G)	0.1%	-0.1%	1.2%	2.2%	3.3%	4.4%	0.3%	9.1%
10	Fixed Income (F)	-0.3%	-0.4%	1.0%	3.7%	5.7%	7.3%	0.2%	10.2%

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

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	3.0%	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	2.5%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	2.2%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	1.8%	15.6%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%
TSP Moose	1.4%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%

OBSERVATION: The most aggressive Lifetime Funds have been the best performers since Covid (2020) thanks to the trillions in Federal deficit spending under Trump and Biden. An added bonus: Lifetime funds are a lot less work than timing the markets. The drawback is that buying and holding a Lifetime fund can be a disaster in a cyclical bear market (2022). The risk-reward is better with timing. Fortunately (or unfortunately as one's politics may dictate) the likelihood of a cyclical bear market occurring diminishes as government becomes an ever-larger portion of the US economy and as Fed market manipulation becomes more prevalent. 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

In Praise of Deranged

Nothing irks the Europeans more than an American pontificating about what Europeans need to be doing to become the best versions of themselves. That goes double when the American is named Trump, and truth be told, he does it a lot. Indeed, the mere mention of the "T-Word" in Europe has been known to put upwards of half the continent on the verge of wetting itself. We just saw it at Switzerland's Davos World Economic Forum this week.

Okay, the Swiss are not particularly known for their propensity toward incontinence, despite a well-documented affinity for cheese with all its gastronomic complexities. The Swiss are chill. My only complaint as an American, is that they export far too little of their exquisite chocolate at far too high a price.

As western financial elites met in Davos Switzerland this week it was actually being reported by European and some US news outlets that President Trump intended to steal Greenland from Denmark by force of arms, wiping out NATO in the process. (China and Russia could only dream.)

It was yet another instance of Trump Derangement Syndrome taken to a hilarious extreme. But as such it created yet another buying opportunity in gold as the metal again broke to new highs. GLD rocketed up over 8% in four trading sessions. Now that's the kind of derangement I'm talkin' about!