

MOOSECALLS

Global Financial News & Analysis
FEB.13.2026 through FEB.22.2026

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EXECUTIVE SUMMARY: FEB.13.2026

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

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

THIS WEEK was the first Risk-ON week after 4 MIXED-risk weeks. US Stocks UP, Foreign Stocks MIXED, US Bonds DOWN and Gold UP.

Court Rejects “Emergency” Tariffs

Friday, the Supreme Court voted 6-3 that under existing law a President cannot invoke emergency powers in order to set tariffs. It looked like a win for the Dollar, for US assets, for the US consumer, for US retail and for congressional hegemony over the nation's purse strings, but it isn't. (See Moospeak). We also got news that the government closure took a big chunk out of Q4 GDP (+1.4%) and that December PCE core inflation was 3%. US stocks ended their extended funk this week with large-caps (+1.1%) leading small-caps (+0.6%) higher. US Bonds (-0.4%) lost ground. The 10-year yield rose to 4.09%, and the cash yield rose a tick to 3.60%, steepening the yield curve to 50 bps. Rising interest rates boosted the Dollar (+1.0%) which adversely affected Japan (-2.5%), but not so much Asia-Pacific (+2.3%), Latin America (+2.3%), and Europe (+1.5%). Gold (+1.3%), commodities (+3.0%) and oil (+6.1%) also gained despite the stronger greenback. No model changes this week.

GLOBAL OUTLOOK IMPROVES TO POSITIVE 3 of 4). The Baltic Dry Index is down over the quarter as are 10-year US yields and negatives. Copper and oil prices are both higher in the past quarter— positive indications for the global economy.

INFLATION: Core PCE inflation (+0.4%) hot m-t-m and hot (+3.0%) y-o-y. Emergency tariffs shut down, but due to be replaced by across-the-board 15% tariffs, raising inflation threat.

US ECONOMIC DATA: Mixed. Q4 GDP Weak, PCE Inflation Hot, Starts and Permits Beat, Production Strong, Income and Spending Solid

FEDERAL RESERVE: The Fed's balance sheet stands at \$6.60 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting (3/18). Kevin Warsh to replace Jerome Powell in May. Rate cut still considered (69%) likely in June. Fed Check remains hawkish as of 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) No rate hike is expected per CME futures, however.

INVESTMENT STRATEGIES: (1) The Index Model is outperforming all competitors in 2026. It has held gold (GLD) since switching from EFA via buy-stop on August 28, 2025. It is neither overbought nor close to a stop-loss. (2) The US Equity Strategy (USES) Model exited US Growth 2/10/2026 for SPYD (2/17/2026). US stocks are not the best equity choice, but they still beat cash. (3) The Thrift Savings Plan (TSP) holds Fund (I) International stocks (since 1/30).

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications are neutral for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index fell to 2043 this week, and is down after 13 weeks, a negative signal.** (After opening 2026 at 1882, BDI is still well below its 2010 peak @4640.) Meanwhile, another proxy for world activity, **WTI oil price rose to 66.31 this week, and is up 14% in the latest quarter, a positive signal.** (Oil remains below its 2022 peak @\$130, but well above its 2020 Covid lows @\$10.) Our proxy for global construction, **copper (\$5.90) is also up week, and remains 16% higher this quarter, a positive signal.** Domestically, **10Y US bond yields rose to 4.09% this week and are up 3 bps over the past 13 weeks, a positive bet** on the largest world economy.

GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose
ETF Rankings
through
FEB.22.2026

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.) Latin America (ILF) is a strong second, but very volatile. Emerging markets are a safer choice for those tired of gold.

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	condition
1	100%	Gold Bullion (GLD)	111%	very bullish	57.4	3.63	deteriorating
2	97%	Latin America (ILF)	118%	very bullish	65.7	4.52	deteriorating
3	65%	Japan (EWJ)	116%	very bullish	63.9	3.54	improving
4	55%	Asia Pacific ex-Japan (AAXJ)	114%	very bullish	71.5	2.65	improving
5	43%	US Small-caps (IWM)	108%	very bullish	54.9	1.13	deteriorating
6	35%	Europe (IEV)	109%	very bullish	64.4	1.91	deteriorating
7	25%	US Large-caps (SPY)	70%	bullish	52.0	0.14	deteriorating
8	6%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	improving
9	-2%	Very Long US Bonds (EDV)	87%	very bearish	60.9	0.71	improving
		US Dollar	19%	very bearish	52.8	negative	improving
		Commodities	97%	very bullish	58.6	positive	deteriorating
		US Oil	101%	very bullish	64.0	positive	improving
		Ryan/CRB	94%	HIKE RATES			
		Volatility	19.1	risk appetite on			

YTD	FUND	THIS	LAST	13wk	26wk	39wk	52wk	3Y
21.8%	Latin America (ILF)	2.3%	0.6%	26.8%	46.5%	53.5%	71.3%	52.6%
18.2%	Gold Bullion (GLD)	1.3%	1.6%	24.6%	50.2%	54.4%	73.1%	154.1%
13.8%	Asia Pacific ex-Japan (AAXJ)	2.3%	1.9%	15.7%	25.6%	39.8%	43.7%	72.5%
13.3%	Japan (EWJ)	-2.5%	5.0%	17.5%	25.6%	38.0%	46.5%	56.1%
7.6%	Europe (IEV)	1.5%	0.3%	13.1%	17.3%	21.6%	33.8%	52.6%
7.5%	US Small-caps (IWM)	0.6%	-0.8%	11.8%	13.7%	27.4%	22.6%	35.7%
4.2%	Very Long US Bonds (EDV)	-0.4%	3.8%	1.5%	5.7%	7.1%	-1.8%	-7.6%
1.1%	US Large-caps (SPY)	1.1%	-1.3%	3.2%	7.8%	17.8%	16.7%	42.4%
0.2%	Short US Income (SGOV)	0.0%	0.1%	1.0%	1.9%	3.1%	4.1%	9.6%

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 GOLD's Upward Trend Intact--

GLD rose 1.3% this week, after gaining 1.6% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 24.6% for the quarter (13 weeks), and up 73.1% for the year (52 weeks).

#2 LATIN AMERICA Retests Double Top--

ILF rose 2.3% this week, after gaining 0.6% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 26.8% for the quarter (13 weeks), and up 71.3% for the year (52 weeks).

#3 JAPAN Backs Off Overbought--

EWJ fell 2.5% this week, after gaining 5.0% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 17.5% for the quarter (13 weeks), and up 46.5% for the year (52 weeks).

#4 ASIA-PACIFIC Hits New High on SCOTUS Tariff Ruling--

AAXJ rose 2.3% this week, after gaining 1.9% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is up 15.7% for the quarter (13 weeks), and up 43.7% for the year (52 weeks).

#5 US SMALL-CAPS Again Hold 50-day--

IWM rose 0.6% this week, after losing 0.8% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 11.8% for the quarter (13 weeks), and up 22.6% for the year (52 weeks).

#6 EUROPE Plods Higher--

IEV rose 1.5% this week, after gaining 0.3% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 13.1% for the quarter (13 weeks), and up 33.8% for the year (52 weeks).

#7 US LARGE-CAPS Remain Rangebound--

SPY rose 1.1% this week, after losing 1.3% last week. That left it bullish and ranked 7 globally and more attractive than cash. The index is up 3.2% for the quarter (13 weeks), and up 16.7% for the year (52 weeks). **This week's US equity sector momentum is positive; breath is broad and expanding--** 81% of our sectors are buy or hold (L78%) with **BUYS** now 52% (L48%) and **HOLDS** now 33% (L33%). **AVOIDS** are currently 15% (L19%). Potential "Buys" include Gold Miners, Oil Equipment & Services, Semiconductors, Pharma, Biotech. "Avoids" include Software, Internet, Medical Devices, Healthcare.

#8 - Three-Month T-Bills (SGOV) Yield Up a Tick--

SGOV rose 0.0% this week, after gaining 0.1% last week. That left it ranked 8 globally. The index is up 1.0% for the quarter (13 weeks), and up 4.1% for the year (52 weeks). The US Treasury 3-month (cash) yield rose 1 tick to 3.60, and the 10-year yield rose 3 ticks this week to 4.09 and with the yield curve steepening to 49 basis points.

#9 LONG BONDS Dip on Tariff Ruling--

EDV fell 0.4% this week, after gaining 3.8% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are up 1.5% for the quarter (13 weeks) but down 1.8% for the year (52 weeks).

COMMODITIES Pushed Higher By Oil--

CRB rose 3.0% this week after losing 0.5% last week. That left commodity prices up 5.6% for the quarter (13 weeks), and up 7.2% for the year (52 weeks). At \$24.60, the CRB is above its short-term (50-day) average and above its intermediate-term (200-day) average. **Crude Oil (USO)** rose 6.1% this week, following last week's loss of 1.0%. Crude is currently very bullish. That leaves US oil prices up 11.2% for the quarter (13 weeks), and up 4.4% for the year (52 weeks).

Dollar rallies on Dovish Fed Expectation--

UUP rose 1.0% this week, after losing 0.7% last week. It is currently very bearish—down 4.0% for the quarter (13 weeks), and down 7.3% in the last year (52 weeks). At \$27.09, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average.

US ECONOMY: GOV'T DATA

Q4 GDP Weak, PCE Inflation Hot, Starts and Permits Beat, Production Strong; Income and Spending Solid

US Economy:
week of
FEB.13.2026

THIS WEEK: MIXED

THE GOOD: WEEKLY Initial Claims (206K) below previous week and forecasts. FEB Philadelphia Fed Index (16.3) beat consensus and prior. FEB S&P Global U.S. Manufacturing PMI – Prelim (51.2) growing though at a slower than before. FEB S&P Global U.S. Services PMI – Prelim (52.3) expanding but at a slower rate than before. FEB NAHB Housing Market Index (36) in line with consensus and prior. JAN Industrial Production (+0.7%) beat consensus and prior. JAN Capacity Utilization (76.2%) above previous below expectations. DEC Housing Starts (1404K) beat consensus and prior. DEC Building Permits (1448K) beat prior and targets. DEC Adv. Intl. Trade in Goods (\$98.5B) up from 82.8B. DEC Adv. Retail Inventories (0.0%) unchanged after last month's draw. DEC Adv. Wholesale Inventories (+0.2%) in line with prior. DEC Personal Spending (+0.4%) beat expectations by matching prior. DEC Personal Income (+0.3%) in line with expectations, lower than previous

THE BAD: WEEKLY Continuing Claims (1869K) up from last week. FEB Empire State Manufacturing (7.1) in line with forecasts. FEB Univ. of Michigan Consumer Sentiment – Fina (56.6) below consensus and prior. JAN Pending Home Sales (-0.8%) weaker than consensus but not as bad as prior month. DEC Durable Orders (-1.4%) down from prior but less negative than expected. DEC Trade Deficit (-\$70.3B) worse than prior and expected. DEC Leading Economic Index (-0.2%) again negative but less than prior. DEC New Home Sales (745K) below previous but less so than feared.

THE UGLY: Q4 GDP (+1.4%) 2% weaker than expected due to government shut-down.

US ECONOMY: INFLATION DATA

Consumer Inflation Cool, Import Prices Unchanged Y-on-Y

US Inflation:
week of
FEB.13.2026

JAN CPI (+0.2%) in line m-t-m. (1-yr = 2.4%)
JAN Core CPI (+0.3%) warm m-t-m. (1-yr = 2.5%)
JAN PPI (+0.5%) hot m-t-m. (1-yr = 3.0%)
JAN Core PPI (+0.6%) hot m-t-m. (1-yr = 3.2%)
DEC Import Prices (+0.1%) cooler than prior m-t-m. (1-yr = 0.0% cool)
DEC Export Prices (+0.3%) cooler than prior m-t-m. (1-yr = 3.1% warmer)

DEC PCE Prices (+0.4%) hotter than consensus and previous. (1yr 2.9%)
DEC PCE Prices – Core (+0.4%) hotter than prior as expected. (1yr 3.0%)
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%)
Q4 GDP-Adv. (+1.4%) well below prior and expectations.
Q4 Chain Deflator-Adv. (+3.6%) cooler than previous but hotter than expected.
Q4 Employment Cost Index (+0.7%) slightly cooler than Q3.
Q3 Productivity- (+4.9%) solid, revised in line.
Q3 Unit Labor Costs- (-1.9%) cool, revised in line.
Q3 Current Account Balance (-\$226.4B) deficit below previous and expectations.

US ECONOMY: RECESSION & GDP INDICATORS

NY FED: MINIMAL RECESSION THREAT RECEDES AGAIN

US recession chances one year out: 18.87% (JAN 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 Falls to 3.1% Atlanta Fed Current GDP Model (2/20/2026): Q4 Annualized 3.1% (Last week: Q4 Annualized +3.7%)

US ECONOMY: FEDERAL RESERVE FED BALANCE SHEET (\$6.61T); FFR @ (3.50-3.75%)

Federal Reserve:
week of
FEB.13.2026

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 6.61T, (down .01T) in the latest week (2/20/2025). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change at the January FOMC meeting.

The next FOMC meeting is March 18. Jerome Powell will exit as Fed chair in May. Kevin Warsh has been tapped to replace him. Warsh seems inclined to reduce the Fed balance sheet and be more hawkish. Meanwhile, futures make a 2026 rate cut unlikely until Chairman Powell is gone. Odds don't exceed 50% until June's 53% CME read.

Just as well. The Fed Check at 94% has turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at 3.48%, however, is about 15 bps LOWER than the Fed overnight rate (3.625%), implying US domestic conditions should merit at least one more Fed rate cut. That Fed rate cut, is still expected June 17.

The 3m-10y yield curve steepened this week, going from a positive slope of 47 bps to one of 50 bps, as the 10-year US Treasury yield rose to 4.09%, and the 3-month cash yield rose 1 tick to 3.60%. 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 3.67% is unchanged this week, while the 3-month T-bill at 3.60% is up. That puts the SOFR/T-Bill (SOF-T) spread at 7 basis points, below its 200-day average of 20 bps. **A falling SOF-T spread signals a safer, more confident financial system.**

FED OVERALL THIS WEEK: NEUTRAL (0) LW: NEUTRAL (0)
LATEST Rate Posture: (No Change) NEUTRAL (0)
LATEST Balance Sheet (down .01T) NEUTRAL, (0),
Fed Speak NEUTRAL (0),
Fed Check HAWKISH (-1)

Latest FOMC Assessment (2026.1.28) Available indicators suggest that economic activity has been expanding at a solid pace. Job gains have remained low, and the unemployment rate has shown some signs of stabilization. Inflation remains somewhat elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate. In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will consider a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. **(Next FOMC meeting: 2026.3.18)**

US Currency Market: US DOLLAR Rallies On Dovish Rate Expectations



US Dollar: UUP rose 1.0% this week, after losing 0.7% last week. It is currently very bearish—down 4.0% for the quarter (13 weeks), and down 7.3% in the last year (52 weeks). At \$27.09, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is negative but improving. RSI14 @ 52.8 is neither overbought nor oversold.

As for other major currencies vs the Dollar, the Australian \$ (FXA) is very bullish, and up 0.8% this week. The British Pound (FXB) is bullish, and up 0.3%. The Canadian Dollar (FXC) is very bullish, and up 0.3%. The Euro Dollar (FXE) is very bullish, and up 0.4%. The Swiss Franc (FXF) is very bullish, and up 0.9%, and the Japanese Yen (FXY) is bearish and up 2.9%.

The stagflation argument holds that tariffs dampen US economic performance and weaken the Dollar. That the

Supreme Court would send down its ruling this month, probably an adverse one at that, was also common knowledge. The Dollar has been improving for three weeks on the rumor that US tariffs would be struck down and when it happened this Friday the markets sold the news. The Dollar slipped fractionally. Tariffs are not gone. They will merely take another form. They will be less targeted and as a result could be more onerous overall.

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Carry-trade This Week

Moose guidance is based on US Dollar denominated ETF proxies. Investors seeking to maximize profits when investing in offshore securities may wish to incorporate a "carry-trade" currency strategy into the decision, (Basically, if a foreign currency is weakening (bearish) against the Dollar, using a Dollar-denominated ETF to invest in that country's assets will outperform using a hedged vehicle. If, however, the foreign currency is bullish vs. the Dollar, the Dollar-denominated investment will underperform. In the event of a weak Dollar there may be currency-hedged foreign equity ETFs available at least for Europe (HEDJ) and Japan (DXJ) that will outperform.

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

US Bond Market: #9 LONG BONDS Dip Slightly on Tariff Ruling



US Long Treasury Bonds: EDV fell 0.4% this week, after gaining 3.8% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are up 1.5% for the quarter (13 weeks) but down 1.8% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 6 ticks to 4.09 and the 3-month yield rose 5 ticks to 3.60 with the yield curve steepening to 50 basis points. That reduces the odds of a recession in late 2026. At \$67.75, 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 60.9 means EDV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

Last week, bond prices gapped higher, a negative take on the economy and/or inflation, after

tech experts announced that AI productivity enhancements could eliminate most entry-level white-collar jobs within two to three years. The latest bond bounce reverses a three-month correction that began with the October Fed rate cut. This week rumors that SCOTUS would end "emergency" tariffs (helping the economy) pushed bond prices lower. In addition lousy 4th quarter GDP and hot December PCE inflation provided conflicting signals. Government data has been slow to lend definitive clarity since the Federal shutdown, but recent jobs and consumer inflation reports have exceeded expectations. January payrolls were almost double forecasts, the unemployment rate fell, and wages went up faster than anticipated-- implying likely upward pressure on interest rates. CPI inflation is slowing and the best in 5 years, suggesting the opposite. Meanwhile the AI effect enhances productivity (reducing inflation pressure), while curbing job growth (reducing economic recovery prospects).

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: #7 US LARGE-CAPS Remain Rangebound



US Large-Cap Stocks: SPY rose 1.1% this week, after losing 1.3% last week. That left it bullish and ranked 7 globally and more attractive than cash. The index is up 3.2% for the quarter (13 weeks), and up 16.7% for the year (52 weeks). At \$689.43, SPY is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 52.0 means SPY is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

SPY is trading in a narrow price band, correcting in place. Recent stop-losses have been ignored as false signals as the trends in SPY are still up with PMO and CI positive. There is uncertainty about the impact of AI on job growth, and uncertainty over the future (revised) US tariff regime, but the backdrop is positive. The larger issues of taxation, fiscal

spending, and the debt ceiling 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. On the bearish side, self-inflicted taxes on imports have kept US stocks from going through the roof, helping emerging markets. Apart from bonds, most asset classes are very bullish.

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market: #5 US SMALL-CAPS Again Hold 50-day



US Small-Cap Stocks: IWM rose 0.6% this week, after losing 0.8% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 11.8% for the quarter (13 weeks), and up 22.6% for the year (52 weeks). At \$264.61, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 54.9 means IWM is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

The first quarter is considered the season for small caps, especially when interest rates are heading lower. With rates receding and the Fed expected to cut short rates mid-year, it is no surprise small caps are attracting some interest. Small caps are the strongest domestic asset we track, but uncertainties remain about the impact of AI on

job growth, and about the revised tariff regime. The larger issues of taxation, fiscal spending, and the debt ceiling are settled, and the new tax program is kicking in now. 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.

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%).

(Charts reprinted with permission from stockcharts.com.)

US Equity Market Top Sectors: Gold Miners, Semiconductors, Oil Equip & Serv, Biotech, Pharma,

The table below ranks 25 primary US sector ETFs in order of relative momentum this week. Momentum investors may consider those ranked higher than cash bullish (**buy** or **hold**), and those ranked below cash bearish (**sell** or **avoid**). Value investors may feel the opposite. **This week's US equity sector momentum is positive; breath is broad and expanding--81% of our sectors are buy or hold (L78%) with BUYS now 52% (L48%) and HOLDS now 33% (L33%). AVOIDS are currently 15% (L19%).** Potential "Buys" include Gold Miners, Oil Equipment & Services, Semiconductors, Pharma, Biotech. "Avoids" include Software, Internet, Medical Devices, Healthcare.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition	
100%	Gold Miners (GDX)	96%	124%	very bullish	57.7	4.78	positive	deteriorating	
57%	US Oil Equip & Serv (IEZ)	54%	136%	very bullish	70.6	OB	6.71	positive	improving
50%	Semiconductors (SMH)	42%	114%	very bullish	59.8	2.88	positive	deteriorating	
37%	US Pharmaceuticals (IHE)	34%	113%	very bullish	59.6	2.01	positive	improving	
37%	Biotechnology (IBB)	30%	103%	very bullish	53.3	0.75	positive	deteriorating	
26%	US Aerospace & Def (PPA)	23%	112%	very bullish	62.8	2.49	positive	deteriorating	
18%	KB Banks (KBE)	10%	101%	very bullish	55.9	1.84	positive	deteriorating	
17%	Transports (IYT)	12%	107%	very bullish	62.8	2.17	positive	improving	
17%	Industrials (XLI)	15%	114%	very bullish	74.1	OB	2.83	positive	improving
17%	Select Materials (XLB)	14%	118%	very bullish	65.3	3.73	positive	improving	
17%	Home Construction (XHB)	13%	112%	very bullish	60.1	2.86	positive	improving	
15%	Telecommunications (FCOM)	8%	53%	bullish	47.6	-0.36	negative	deteriorating	
13%	US Technology (IYW)	7%	32%	bearish	45.2	-1.02	negative	deteriorating	
13%	Oil/Gas Expl & Prod (XOP)	13%	103%	very bullish	67.4	3.96	positive	improving	
12%	S&P 500 (SPY)	8%	70%	very bullish	52.0	0.14	positive	deteriorating	
12%	Retail (XRT)	7%	91%	very bullish	53.1	0.39	positive	deteriorating	
10%	Media Portfolio (XLC)	6%	51%	bullish	52.3	-0.12	negative	deteriorating	
8%	Utilities (XLU)	12%	103%	very bullish	70.0	OB	1.70	positive	improving
6%	Consumer Staples (XLP)	7%	110%	very bullish	66.6	3.02	positive	improving	
5%	Capital Markets (KCE)	-3%	36%	bearish	40.2	-1.01	negative	deteriorating	
3%	Food & Beverage (PBJ)	3%	109%	very bullish	69.6	2.80	positive	improving	
2%	REITs (VNQ)	4%	107%	very bullish	65.3	1.40	positive	improving	
0%	KBW Insurance (IAK)	2%	99%	very bullish	54.8	0.47	positive	improving	
-1%	Bitcoin (BLOK)	-10%	10%	very bearish	38.3	-3.47	negative	deteriorating	
-1%	CASH	0%	88%	bullish	57.2	0.05	positive	improving	
-6%	US Health Providers (IHF)	-1%	18%	very bearish	45.4	-1.40	negative	improving	
-7%	US Medical Devices (IHI)	-7%	19%	very bearish	47.5	-1.56	negative	improving	
-8%	DJ Internet Index (FDN)	-14%	5%	very bearish	32.9	-3.19	negative	deteriorating	
-19%	Software (XSW)	-25%	0%	very bearish	31.3	-5.74	negative	deteriorating	

US Sector Top Performers: YTD (2/13/26)

YTD	Description	THIS wk	LAST wk	13wk	26wk	39wk	52wk	3Y
36.2%	US Oil Equip & Services (IEZ)	2.1%	1.6%	35.0%	61.1%	69.1%	38.3%	45.4%
23.9%	Gold Miners (GDX)	2.2%	1.0%	39.7%	85.0%	131.7%	159.8%	323.7%
20.3%	Oil/Gas Explore & Produce (XOP)	2.7%	1.0%	14.0%	23.3%	23.4%	11.3%	19.7%
16.8%	Select Materials (XLB)	-0.7%	2.2%	21.7%	17.6%	24.8%	20.2%	32.4%
15.5%	Home Construction (XHB)	-2.0%	3.7%	12.2%	3.1%	20.4%	15.1%	21.6%
15.3%	US Aerospace & Defense (PPA)	2.6%	-0.4%	16.7%	22.5%	38.9%	54.2%	92.5%
15.2%	Semiconductors (SMH)	1.8%	0.3%	18.6%	38.3%	68.7%	62.0%	106.2%
14.3%	Industrials (XLI)	1.8%	0.3%	15.3%	17.1%	26.0%	29.5%	54.9%
13.1%	Consumer Staples (XLP)	-1.8%	2.4%	14.4%	7.9%	10.7%	10.7%	27.8%
12.1%	Food & Beverage (PBJ)	-1.0%	1.3%	14.6%	5.1%	6.5%	6.8%	15.4%

INTERNATIONAL MARKETS: #1 GOLD's Upward Trend Intact



Gold Bullion: GLD rose 1.3% this week, after gaining 1.6% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 24.6% for the quarter (13 weeks), and up 73.1% for the year (52 weeks). At \$469, GLD is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 57 means GLD is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

GLD continues to slowly recover from its overbought late January swoon. The slope of its short-term trend line continues to steepen. Momentum medium-term (CI) and over the last 20-days (PMO) still beats that of

most of the assets we track. Geopolitical uncertainty appears to be a major contributor to gold's central bank demand. So is the expectation that lower rates (and cheaper US money) is potentially coming, will be inflationary, and is good for gold. Another rate cut or two is expected this summer. Meanwhile, we have a large persistent US deficit, amid growing tension with Iran, not to mention ongoing issues in Venezuela, Ukraine, and the Black Sea. 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 Pushed Higher By Oil



Commodities: CRB rose 3.0% this week after losing 0.5% last week. That left commodity prices up 5.6% for the quarter (13 weeks), and up 7.2% for the year (52 weeks). At \$24.60, the CRB is above its short-term (50-day) average and above its intermediate-term (200-day) average at \$122. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 58.6 means the CRB is neither overbought nor oversold.

Crude Oil: (USO) rose 6.1% this week, following last week's loss of 1.0%. Crude is currently very bullish. That leaves US oil prices up 11.2% for the quarter (13 weeks), and up 4.4% for the year (52 weeks). At \$80.85, USO is above its short-term (50-day) average and above its intermediate-term average and neither overbought nor oversold. A pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade

competitiveness.

Global attention on security concerns in Iran picked up this week, spiking oil prices in particular and commodity prices in general. There is a massive US naval build-up in the region and the threat of it being used in the next two weeks if Iran does not agree to end Uranium enrichment. West Texas Intermediate crude prices down to the mid-fifties last October is in the mid-sixties now. 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, the prospect for more violence in Iran and Ukraine continues to interrupt that progress. Meanwhile, the commodity and bond markets are still telling us that inflation should be more of a concern than joblessness.

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INTERNATIONAL EQUITIES: #6 EUROPE Plods Higher



European Large-Cap Stocks: IEV rose 1.5% this week, after gaining 0.3% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 13.1% for the quarter (13 weeks), and up 33.8% for the year (52 weeks). At \$73.83, IEV is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 64.4 means IEV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

Europe pushed higher again this week. Fed rate cuts have covered IEV's take-off for months and it is still going strong. Recent European Central Bank communication suggests Euro rates are likely to remain

on hold, with any future moves dependent on inflation and growth data. There are no strong indications of imminent cuts, but there is a possible shift toward *rate hikes by 2027* if conditions warrant. There is continued emphasis on **meeting-by-meeting decision making**, inflation near 2%, and vigilance regarding **currency impacts**. Ongoing work on *digital euro development* and evolving monetary policy operations is underway. NOTE: A neutral to slightly bullish Euro vs. Dollar keeps IEV slightly underperforming the hedged version (HEDJ) of European equities.

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

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INTERNATIONAL EQUITIES: #3 JAPAN Backs Off Overbought



Japanese Stocks: EWJ fell 2.5% this week, after gaining 5.0% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 17.5% for the quarter (13 weeks), and up 46.5% for the year (52 weeks). At \$91.47, EWJ 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 63.9 means EWJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

Elections produced a strong coalition promising a program of expansionary economic policies for Japan, and the stocks have been celebrating-- until this week's retreat from a severely overbought condition.

Meanwhile, Yen weakness is boosting exporters and raising the yen value of overseas earnings for Japan's large export-heavy companies. Meanwhile, worries about the Japanese bond market appear to be on the back burner. 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: #4 ASIA-PACIFIC Hits New High on SCOTUS Tariff Ruling



Asia-Pacific ex-Japan: AAXJ rose 2.3% this week, after gaining 1.9% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is up 15.7% for the quarter (13 weeks), and up 43.7% for the year (52 weeks). At \$106.01, AAXJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 71.5 means AAXJ is overbought. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

Asia Pacific popped to another record high this week as US "emergency" tariffs were deemed unconstitutional by SCOTUS. That put Asian equities in the number 3 slot in the global regional rankings, more attractive than both cash and US

equities. US tariffs are the reason foreign stocks have been outperforming, and the expectation is that the court ruling will not stop them but lead to higher tariffs. (Asian markets were closed for the week when the ruling was handed down on Friday). Certain Asian exporters (particularly China and India) had a bigger tariff problem than others. Even so Asian equity markets (AAXJ +23) remain comparably attractive to US stocks (VTI +7). South Korea (EWY +99) is a standout. Taiwan (EWT +26) and Hong Kong (EWH +14) and Australia (EWA +11) are doing well. Singapore (EWS +7), India (PIN +4) and China (FXI +0), lag the US. and are struggling due to US tariff issues but may get relief.

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 Retests Double Top



Latin America 40: ILF rose 2.3% this week, after gaining 0.6% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 26.8% for the quarter (13 weeks), and up 71.3% for the year (52 weeks). At \$37.08, ILF is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 65.7 means ILF is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

Latin America led the world higher in January but has slowed in February. After putting a double top last week, AAXJ has relieved an overbought condition and stopped just short of a new high for a third time. A weaker Dollar in November

briefly propelled Latin equities into the number 1 slot in the global newsletter's regional rankings 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. A cheaper Dollar is also good for Latin stocks, (ILF +44) which have significantly outperformed their US cousins in Price-Performance vs cash (VTI +7) since the tariff announcement 4/25. Brazil (EWZ +44), Colombia (COLO +36), Chile (ECH +34), and Mexico (EWW +33) are strongest, while Argentina (ARGT +16) continues to dig itself out of its most recent leftist hole. Canada (EWC +20) 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
73%	(AOA) Aggressive Growth	10%	105%	very bullish	61.9	0.89	positive	deteriorating
46%	(AOM) Moderate Growth & Inc	7%	104%	very bullish	67.1	0.67	positive	improving
YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
4.2%	(AOA) Aggressive Growth	0.0%	0.1%	5.0%	10.6%	19.5%	19.6%	39.8%
2.9%	(AOM) Moderate Growth & Inc	0.8%	0.3%	4.0%	7.8%	13.8%	14.5%	27.0%
PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.6%	(AOA) Aggressive Growth	90.79	93.35	93.76	93.76	68.45	91.09	85.20
99.9%	(AOM) Moderate Growth & Inc	48.14	49.10	49.14	49.14	41.20	48.15	45.88

Market Timing v. Diversified Buy & Hold: Performance

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	18.2%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	4.2%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.9%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
US Strategy Moose	0.3%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
S&P Benchmark	-0.9%	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: SWITCH to SPYD

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 Risk-ON week after 4 MIXED-risk weeks. US Stocks UP, Foreign Stocks MIXED, US Bonds DOWN and Gold UP. US Equity Strategy (USES) Model bought into US High Dividend (SPYD) 2/16/25 @169.25. Sold 2/10/2026. IUSG recently triggered stop losses fell into last place. US stocks are not the best equity choice, but they still beat cash. Among US equity strategies large cap strategies are uniformly weak. Adding small-caps expands choice.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	US High Dividend (SPYD)	16%	116%	very bullish	72	3.03	positive	improving
2	78%	US Value (IUSV)	11%	102%	very bullish	59	1.07	positive	deteriorating
3	70%	US Large-caps (SPY)	8%	70%	bullish	52	0.14	positive	deteriorating
4	66%	US Growth (IUSG)	7%	41%	neutral	49	-0.51	negative	deteriorating
5	66%	US Fundamentals (QUAL)	8%	99%	very bullish	56	0.48	positive	deteriorating
6	61%	S&P Equal Weight (RSP)	9%	107%	very bullish	63	1.27	positive	improving
7	39%	US Momentum (MTUM)	5%	63%	bullish	51	0.10	positive	deteriorating
8	16%	Cash	2%	88%	very bullish	100	0.15	positive	improving
9	7%	US Low Volatility (SPLV)	2%	106%	very bullish	72	1.41	positive	improving
10	-6%	Short Income (SGOV)	-1%	79%	bullish	57	0.04	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 SWITCH to SPYD

This week: High dividend SPYD became the #1 choice 2/10/26. Growth (IUSG) was sold at the time, but SPYD was overbought until 2/17/26 when it was purchased at 47.58. A US Small-cap (IWM) strategy is being added to the USES model, which previously only dealt with US large cap strategies. It will broaden the choices in US equity only portfolio. More details next week.

	YTD	Description	THIS	LAST	13wk	26wk	39wk	52wk	3Y
1	11%	US High Dividend (SPYD)	-0.1%	2.2%	18.6%	17.3%	22.9%	18.5%	48.3%
2	7%	S&P Equal Weight (RSP)	0.6%	0.3%	8.3%	10.0%	16.3%	13.9%	33.3%
3	6%	US Low Volatility (SPLV)	0.1%	1.3%	6.2%	3.7%	6.0%	4.9%	21.8%
4	5%	US Value (IUSV)	0.4%	-0.8%	6.1%	11.1%	18.7%	14.1%	32.6%
5	3%	US Fundamentals (QUAL)	1.3%	-0.9%	4.7%	9.3%	16.2%	11.3%	33.3%
6	2%	US Momentum (MTUM)	1.3%	-0.8%	1.7%	4.3%	12.4%	12.6%	45.7%
7	1%	US Large-caps (SPY)	1.1%	-1.3%	1.5%	7.9%	18.2%	14.2%	42.4%
8	0%	Short Income (SGOV)	-0.1%	0.2%	0.1%	0.9%	2.3%	3.7%	8.4%
9	0%	Cash	0.0%	0.1%	1.0%	2.1%	3.2%	4.2%	9.6%
10	-1%	US Growth (IUSG)	1.9%	-1.8%	-1.3%	5.6%	18.2%	14.5%	49.6%

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 Risk-ON week after 4 MIXED-risk weeks. US Stocks UP, Foreign Stocks MIXED, US Bonds DOWN and Gold UP. Index Moose HOLDS #1 Gold (GLD) via buy-stop since 8/28/25.

The Global Index Model continues to outperform the S&P, all Buy-and-Hold allocations, and the USES and TSP models in a major way. Foreign markets (EEM, EFA) are technically strong this month, but they are verging on overbought. Gold continues to lead the Index Model in CI and PMO, and in 1,2,3, and 4, quarterly performance.

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Gold Bullion (GLD)	111%	very bullish	57.4	3.63	positive	deteriorating
2	58%	Emerging Markets (EEM)	114%	very bullish	69.6	2.65	positive	improving
3	43%	US Small-caps (IWM)	108%	very bullish	54.9	1.13	positive	deteriorating
4	39%	Developed Markets (EFA)	112%	very bullish	68.1	2.31	positive	improving
5	25%	US Large-caps (SPY)	70%	bullish	52.0	0.14	positive	deteriorating
6	6%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
7	-2%	Very Long US Bonds (EDV)	87%	very bearish	60.9	0.71	positive	improving

	YTD	FUND	THIS	LAST	13wk	26wk	39wk	52wk	3Y
1	18.2%	Gold Bullion (GLD)	1.3%	1.6%	24.6%	50.2%	54.4%	73.1%	154.1%
2	13.9%	Emerging Markets (EEM)	2.0%	1.7%	15.0%	26.1%	36.9%	41.2%	60.1%
3	9.2%	Developed Markets (EFA)	0.6%	1.6%	17.4%	18.4%	26.4%	35.6%	51.9%
4	7.5%	US Small-caps (IWM)	0.6%	-0.8%	11.8%	13.7%	27.4%	22.6%	35.7%
5	4.2%	Very Long US Bonds (EDV)	-0.4%	3.8%	1.5%	5.7%	7.1%	-1.8%	-7.6%
6	1.1%	US Large-caps (SPY)	1.1%	-1.3%	3.2%	7.8%	17.8%	16.7%	42.4%
7	0.2%	Short US Income (SGOV)	0.0%	0.1%	1.0%	1.9%	3.1%	4.1%	9.6%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	18.2%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	4.2%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.9%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%

INVESTMENT STRATEGIES: THE THRIFT SAVINGS PLAN TIMING MODEL

TSP Momentum & Performance

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

The TSP Model: HOLD International Equities (Fund I)

THIS WEEK was the first Risk-ON week after 4 MIXED-risk weeks. US Stocks UP, Foreign Stocks MIXED, US Bonds DOWN and Gold UP.

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

Fund I holds the TSP Model's top spot per confidence index, price momentum, technical strength and RSI. Fund I is currently overbought.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	International stocks (I)	20%	112%	very bullish	72.8	2.46	positive	improving
2	68%	Lifetime 2060	12%	106%	very bullish	60.7	0.98	positive	deteriorating
3	57%	Lifetime 2050	10%	105%	very bullish	61.4	0.85	positive	deteriorating
4	52%	US Large-caps (C)	8%	70%	bullish	51.8	0.12	positive	deteriorating
5	52%	US Small-caps (S)	9%	101%	very bullish	53.0	0.47	positive	deteriorating
6	50%	Lifetime 2040	9%	104%	very bullish	61.7	0.77	positive	deteriorating
7	41%	Lifetime 2030	7%	104%	very bullish	62.3	0.65	positive	deteriorating
8	19%	Long-term Income (L)	3%	102%	very bullish	65.4	0.41	positive	deteriorating
9	9%	Fixed Income (F)	3%	102%	very bullish	68.7	0.33	positive	improving
10	1%	Short-term Income (G)	0%	101%	very bullish	100.0	0.17	positive	deteriorating

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

TSP Lifetime & Index Funds: Performance Progression

	FUND	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	International stocks (I)	1.2%	0.6%	15.7%	20.3%	29.4%	39.0%	10.9%	51.0%
2	Lifetime 2060	1.1%	-0.9%	6.9%	12.2%	21.2%	23.7%	4.8%	44.4%
3	US Small-caps (S)	0.8%	-1.5%	4.5%	9.5%	18.0%	15.8%	4.3%	34.6%
4	Lifetime 2050	0.9%	-0.7%	6.0%	10.6%	18.2%	20.5%	4.2%	38.1%
5	Lifetime 2040	0.8%	-0.6%	5.4%	9.6%	16.3%	18.6%	3.7%	34.4%
6	Lifetime 2030	0.6%	-0.5%	4.6%	8.2%	13.9%	16.0%	3.1%	29.9%
7	Long-term Income (L)	0.3%	-0.2%	2.9%	5.1%	8.2%	9.8%	1.8%	18.2%
8	Fixed Income (F)	-0.1%	0.8%	2.0%	4.0%	6.5%	7.0%	1.3%	12.0%
9	US Large-caps (C)	1.1%	-1.8%	2.1%	7.8%	16.9%	16.3%	1.1%	42.5%
10	Short-term Income (G)	0.1%	0.0%	1.2%	2.2%	3.3%	4.4%	0.6%	9.1%

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

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

Strategy	26 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
TSP Moose	5.7%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2060	3.7%	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	3.2%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	2.9%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	2.4%	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

Tariffs and the Supremes, Inflation and GDP

Friday, the Supreme Court voted 6-3 that under existing law a President cannot invoke emergency powers in order to set tariffs. It was considered a win for the Dollar, for US assets, for US consumers and taxpayers, for US retail and for congressional hegemony over the nation's purse strings. As such the court decision steadied the tariff-setting process lending more predictability and permanence, but it left the question of "what next?" unanswered.

The stagflation argument holds that tariffs dampen US economic performance and weaken the Dollar. That the Supreme Court would send down its ruling on tariffs this month, and probably an adverse one at that, was also common knowledge. The Dollar has been improving for three weeks on the rumor that US tariffs would be struck down and when it happened this Friday the markets sold the news. The Dollar slipped fractionally. It was a minor but telling response-- Tariffs are not gone. They will merely take another form. They will be less targeted and as a result could be more onerous overall. The only certainty is that we are in for another period of uncertainty while the new tariff regime gets sorted out.

In addition to this week's court ruling, government data turned less promising. The Fed's favorite inflation gauge, December core PCE came in hotter at 3.0% than the latest December consumer price index (+2.4%). Meanwhile, Q4 GDP came in at 1.4%, or about half of expectations (+3.0%). That was after GDP Now estimates of 3.5% to 5.2% by the Atlanta Fed. The Federal shutdown was ascribed blame for GDP's shortfall.

In the most superficial sense, hot PCE inflation and weak GDP are offsetting as far as the Federal Reserve response is concerned. The CME futures market is betting as much. The chances of a June Fed rate cut dropped from 63% last week to 51% this week. That's now essentially a bet that a rate cut will happen or it won't. More uncertainty.

Finally, last week's threat of widespread AI-induced joblessness coming down the pike has given investors, not to mention job-seekers, a longer term and more serious concern. Even more uncertainty.

Uncertainty can be annoying. The good thing about it, however, is that it evaporates on its own, one day at a time, and faster if you take the time to pay attention.