MOOSECALLS

Global Financial News & Analysis

JUL.31.2026 through AUG.09.2026

EXECUTIVE SUMMARY: JUL.31.2026

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: 1st Risk-ON week after two Risk-OFF weeks.
US Stocks MIXED Foreign Stocks UP, Bonds DOWN and Gold DOWN

GLOBAL RISK BACK ON AS OIL RETREATS

A temporary pause in US-Iran fighting (and related hopes for de-escalation-by-diplomacy) pushed oil (-5.5%), commodity prices (-2.2%), and gold (-0.1%) lower, buttressing the broadly held notion that the Fed would not raise rates on Wednesday, which it did not. As a result, we saw bifurcated markets in which the first half of the week was met by reversal in the second half. Bonds rose initially but finished (-2.3%) lower. Equities did the opposite. US Large-caps (+1.1%) led small-caps (+0.0%) fractionally higher, while a weaker Dollar (-1.4%) added to offshore equities' returns even more. Europe (+2.4%), Latin America (+2.1%), Japan (+1.3%) and Asia Pacific (+0.8%) all rallied as oil prices dipped below $85. Cash yield dropped to 3.68% but the ten-year spiked to 4.74% steepening the yield curve to 106 bps. There were no changes to the models this week. (Stop-loss in US small caps that could lead to changes in all three models has not been confirmed.)

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

INFLATION: June PCE Inflation and core cooler, but still above 2% Fed target. Oil prices fell 5% this week and are now back below $85 per barrel, but they are still down this quarter. Global inflation per the Fed Check (86) still warrants tightening, but it has improved assisted by rate hikes in Europe and Japan.

US ECONOMIC DATA: Confidence, Income and Spending weak. Q2 GDP data worsens.Recession chances a year out minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q3) UP as of 7/29: 5.0%.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.74 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting is in late September (9/29). Fed Chairman Kevin Warsh replaced Jerome Powell May 22. Iran war has spiked inflation fears. Fed Check (86) is improving but remains hawkish since 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) The odds are 67% that rates will be hiked at the next meeting in September. By December, however, a Fed rate HIKE (88%) is the most likely outcome.

INVESTMENT STRATEGIES: There were no changes to the models this week. Confirmation of a stop-loss in US small caps leading to changes in all three did not occur.

GLOBAL OUTLOOK: POSITIVE (3 of 4)

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

An international shipping measure and proxy for current global trade, **the Baltic Dry Index is at 2732 this week, down from 2743 last week but up fractionally after 13 weeks, a positive** signal. (After opening 2026 at 1882, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price is down to $84.67 this week, but down (-17%) in the latest quarter, a negative** economic signal. (Oil remains below its 2022 peak ($130), but well above the 2020 Covid low ($10).)

Our proxy for global construction, **copper is $6.47, up this week, and up 8% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.74% this week, a 36 basis-point rise over the past 13 weeks, and a positive** bet on the largest world economy.

GLOBAL RANKING: US Small-caps Lead Globally

Index Moose
ETF Rankings
through
AUG.09.2026

THIS WEEK the 2nd Risk-OFF week after two MIXED-Risk weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds DOWN and Gold UP

Asia-Pacific ex-Japan leads in regional global momentum since 6/3/2026 but triggered a stop-loss 7/13/2026. EEM also triggered a stop-loss in the index model. Both were replaced by IWM which also a triggered a stop-loss as yet unconfirmed— (PMO still positive, 50-day still rising, closing price above 50-day in 5 of last 7 days and above initial stop-loss seven of seven days.

The best regional alternative this week is IEV which gave a buy-stop 7/6 and is rallying with lower oil prices this week. That however may be temporary. The best Index alternative is US large caps (SPY) or Developed Markets (EFA).

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

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Asia Pacific ex-Japan (AAXJ)*	46%	neutral	46.4	-1.17	negative	deteriorating
2	82%	Japan (EWJ)*	59%	neutral	51.0	-0.04	negative	deteriorating
3	77%	US Small-caps (IWM)	75%	bullish	47.0	0.44	positive	deteriorating
4	72%	Latin America (ILF)**	72%	bullish	59.1	0.69	positive	improving
5	49%	**Europe (IEV)****	**96%**	**very bullish**	60.4	**0.76**	**positive**	**improving**
6	37%	US Large-caps (SPY)*	65%	bullish	53.1	0.22	positive	deteriorating
7	11%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	deteriorating
8	-27%	Gold Bullion (GLD)*	11%	very bearish	45.8	-1.62	negative	improving
9	-35%	Very Long US Bonds (EDV)*	2%	very bearish	29.8	-1.16	negative	deteriorating
		US Dollar	94%	very bullish	41.7		positive	deteriorating
		Commodities	69%	bullish	56.1		positive	improving
		US Oil	79%	bullish	55.6		positive	improving
		Ryan/CRB	86%	HIKE RATES				
		Volatility	18.4	neutral				

AAXJ and IWM are the best performing regional choices YTD. Latin America and Europe are showing life lately along with EFA in the Index model. Emerging markets continue to fade.

YTD	FUND	07/31/26	07/24/26	13wk	26wk	39wk	52wk	3Y
18.9%	Asia Pacific ex-Japan (AAXJ)	0.8%	0.0%	3.1%	11.7%	19.1%	38.0%	67.1%
18.3%	**US Small-caps (IWM)**	0.0%	-1.0%	6.6%	**12.3%**	17.9%	37.0%	35.0%
16.2%	Latin America (ILF)	2.1%	**1.7%**	-1.5%	0.7%	**28.7%**	**53.4%**	64.3%
14.4%	Japan (EWJ)	1.3%	0.8%	6.1%	6.2%	19.5%	37.0%	52.4%
9.5%	US Large-caps (SPY)	1.1%	-0.6%	5.2%	9.5%	9.7%	21.6%	42.2%
8.3%	Europe (IEV)	**2.4%**	-0.2%	**6.8%**	4.7%	16.0%	26.8%	46.3%
0.3%	Short US Income (SGOV)	0.1%	0.1%	0.9%	1.8%	2.8%	3.8%	8.8%
-6.3%	Gold Bullion (GLD)	-0.1%	0.9%	-11.9%	-18.2%	2.0%	20.2%	**70.2%**
-8.5%	Very Long US Bonds (EDV)	-2.3%	-2.1%	-6.0%	-5.4%	-13.3%	-6.0%	-10.4%

Global Economy through AUG.09.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

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

#1 ASIA-PACIFIC Suffers China-India Woes—
AAXJ rose 0.8% this week after finishing flat last week. The ETF remains neutral and is ranked #1 globally, making it more attractive than cash. It is up 3.1% over the past 13 weeks and up 38.0% over the past year.

#2 US SMALL-CAPs Flat—l
WM was unchanged (0.0%) this week after falling 1.0% last week. It remains bullish and is ranked #2 globally, making it more attractive than cash. The ETF is up 6.6% for the quarter and up 37.0% for the year.

#3 JAPAN Flirts With Short-term Trend—
EWJ rose 1.3% this week after gaining 0.8% last week. The ETF remains neutral and is ranked #3 globally, making it more attractive than cash. It is up 6.1% for the quarter and up 37.0% over the past year.

#4 LATIN AMERICA Begins to Recover—
ILF gained 2.1% this week after rising 1.7% last week. The ETF remains bullish and is ranked #4 globally, making it more attractive than cash. It is down 1.5% for the quarter but up 53.4% over the past year.

#5 EUROPE Triggers Buy-Stop, New High—
IEV advanced 2.4% this week after slipping 0.2% last week. The ETF remains very bullish and is ranked #5 globally, making it more attractive than cash. It is up 6.8% for the quarter and up 26.8% over the past year.

#6 US LARGE-CAPS Regain 50-day—
SPY rose 1.1% this week after losing 0.6% last week. The ETF remains bullish and is ranked #6 globally, making it more attractive than cash. It is up 5.2% for the quarter and up 21.6% over the past year.

#7 US Cash Yield Falls—
The three-month T-Bill yield is 3.68%, down13 ticks from last week. The cash yield is above the Fed overnight rate (3.625%) following the 7/29 FOMC meeting at which no changes in rate policy were. Meanwhile, the two-year Treasury is yielding 4.26%, a 58 basis-point premium to cash

#8 GOLD Bounces Along Near 2026 Low –
GLD slipped 0.1% this week after gaining 0.9% last week. It remains very bearish and is ranked #8 globally, making it less attractive than cash. Gold is down 11.9% for the quarter but up 20.2% over the past year.

#9 LONG US TREASURIES Retreat –
US Long Treasury Bonds: EDV fell 2.3% this week after declining 2.1% last week. Long Treasuries remain very bearish and are ranked #9 globally, making them less attractive than cash. The ETF is down 6.0% for both the quarter and the past year as rising yields continue to pressure bond prices.

COMMODITIES Dip With Break in Hostilities –
The CRB Index fell 2.2% this week after rising 3.9% last week. Commodity prices are down 1.5% for the quarter but up 30.1% over the past year. The index remains above both its 50-day and 200-day moving averages.

Crude Oil Below $85—
USO fell 5.5% this week after surging 10.3% last week and remains bullish. Oil prices are down 4.1% for the quarter but up 59.4% over the past year. USO continues to trade above both its short- and intermediate-term moving averages.

US DOLLAR Lower—
UUP declined 1.4% this week after gaining 0.9% last week. The Dollar remains very bullish, up 3.2% for the quarter and 1.2% over the past year. Despite this week's weakness, the Dollar's longer-term trend remains positive.

US ECONOMY: JUL.31.2026:

OVERALL: GLOBAL PRODUCTION, NEW HOME SALES UP

PRODUCTION: Crude Draw on Lower Prices

(+) WEEKLY EIA Crude Oil Inventories (-7.17M) build turns into draw as oil prices retreat.
(-) JUN Industrial Production (+0.1%) in line with prior but below consensus.
(-) JUN Capacity Utilization (76.1) in line with previous but below expectations.
(-) JUN S&P Global U.S. Manufacturing PMI – (53.8) expanding, DOWN from previous.
(+) JUL S&P Global U.S. Services PMI – (53.8) expanding, a tick lower than previous.
(+) JUL ISM Manufacturing Index (53.3) expanding, above prior and consensus.
(-) JUN ISM Services Index (54.0) expanding, below prior and consensus.

CONSTRUCTION: No New Data

(+) JUN Housing Starts (1427K) above consensus and previous.
(-) JUN Building Permits (1367K) below consensus and prior.
(+) MAY Existing Home Sales (4.17M) beat previous and consensus.
(+) JUN New Home Sales (628K) beat prior and forecasts.
(-) MAY Construction Spending (+0.1%) below prior and consensus.

INFLATION: JUNE PCE PRICES COOL

(+) JUN CPI (-0.4%) cooler than prior and consensus. (+3.5% y-o-y)
(+) JUN Core CPI (0.0%) cooler than prior and forecasts. (+2.6% y-o-y)
(+) JUN PPI:(-0.3%) cooler than prior and consensus. (+5.5% y-o-y)
(+) JUN Core PPI (+0.2%) cooler than prior and forecasts. (+4.7% y-o-y)
(-) JUN Import Prices (+0.3%) hot and up but cooler than prior. (+7.1% y-o-y)
(+) JUN Export Prices (-0.6%) down, hot but cooing. (+10.2% y-o-y)
(+) JUN PCE Prices (-0.1%) cooler than prior and expected. (1yr 3.7% up.)
(+) JUN PCE Prices – Core (+0.1%) cooler than prior and expected (1yr 3.3% up.)

JOBS: JOBLESS CLAIMS MIXED

(-) Weekly initial Claims (197K) above previous but below forecasts.
(+) Weekly Continuing Claims (1782K) lower than previous this week.
(-) JUN ADP Private Payrolls (98K) DOWN from previous more than expected.
(-) JUN Nonfarm Payrolls (57K) much weaker than previous and consensus.
(-) JUN Unemployment rate (+4.2%) down a tick due to shrinking labor force participation.
(-) JUN Average Hourly Earnings (+0.3%) in line, but below inflation rate.
(-) JUN Average workweek (34.3) unchanged.
(+) MAY JOLTS Job openings (7.594) UP from prior after revision lower.
JOLTS Separations

CONSUMPTION: CONFIDENCE, INCOME & SPENDING WEAK

(-) JUL Consumer Confidence (90.8) DOWN from prior and below consensus.
(+) JUN Durable Orders (+0.3%) beat prior, but well below consensus.
(-) JUN Personal Income (+0.2%), below consensus and prior.
(-) JUN Personal Spending (+0.3%) below consensus and prior.
(+) JUL Michigan Consumer Sentiment (55.2) growing, above consensus and prior.
(+) JUN NFIB Small Business Optimism (97.4) strong and above prior (95.3).
(-) JUN Trade Deficit (-$101.5) worse than prior and consensus.
(-) JUN Federal Budget (-$120.3B) still in deficit but improved from May (-$292.6B).

GDP & RECESSION INDICATORS: WORSEN

(+) Q2 GDP - Prelim (+1.5%) below previous and consensus.
(-) Q2 GDP Deflator - Prelim (+6.3 %) hotter than previous and forecasts.
Q2 Employment Cost Index (+0.9%) hotter than consensus and previous.
Q1 Productivity – (+0.3%) revised weaker than prior and consensus
Q1 Unit Labor Costs – Warm but revised cooler (+1.8%) than previous and consensus.
(-) Q1 Current Account Balance (-$226.8) deficit greater than previous quarter and consensus forecast.

RECESSION THREAT: MINIMAL, RISING

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

ATLANTA FED: US Q3 GDP NOW at 5.0%

Atlanta Fed Current GDP Model (7/30/2026): Q3 Annualized 5.0% (Last week: Q2 Annualized +1.7%)

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

Federal Reserve: week of JUL.31.2026

Currently, the Fed's balance sheet is **6.74T, (DOWN -.01T)** in the latest week (**7/29/2026**). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change since at the January, March, April, June or July FOMC meetings.

The next FOMC meeting is September 16. Kevin Warsh is the new chairman since May 22 and chaired his first FOMC meeting June 17. No near-term rate hikes were expected, but a more hawkish tone suggests supply-side inflation pressures brought on by the war with Iran may eventually force two rate hikes by year-end. The odds are 69% that rates will be hiked at the September meeting.

The Fed Check at **86%** turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at **4.26%,** however, is now 64 bps HIGHER (and rising) than the Fed overnight rate (3.625%), implying near-term US domestic conditions make a Fed rate hike increasingly likely.

The **3m-10y yield curve steepened to a slope of 106 bps** this week, as the 10-year US Treasury yield rose to **4.74%**, and the 3-month cash yield rose to **3.68%**. Intermediate term the curve is positive and steepening. (The curve was inverted from 11/22 through 12/24 but has been positive since.) The 30d-10y median yield (**4.21%**) is above its 200-day (**3.96%**). A rising median yield and a steepening yield curve are both bullish for stocks.

3-month SOFR yield at 3.65% is higher this week, while the 3-month T-bill at 3.68% is down 13 ticks. That puts the SOFR/T-Bill (SOF-T) spread at **-3** basis points, below its 200-day average of **+9** bps. **A falling SOF-T spread signals a safer, more confident financial system.**

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

Latest FOMC Assessment (2026.7.29) The Federal Open Market Committee approved the following statement for release by a 9 – 3 vote: The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve's dual mandate. The Committee is continuing its policy of maintaining ample reserves in the banking system. Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability. (Next Meeting: 9/16/2026)

US Currency Market:
US DOLLAR Lower

US Dollar: UUP fell 1.4% this week, after gaining 0.9% last week. It is currently very bullish—up 3.2% for the quarter (13 weeks), and up 1.2% in the last year (52 weeks). At $28.17, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is positive but deteriorating. RSI14 at 41.7 is neither overbought nor oversold. As for other major currencies vs. the Dollar, the Australian Dollar (FXA) is neutral, and down 0.1% this week. The British Pound (FXB) is bearish, and down 1.0%. The Canadian Dollar (FXC) is very bearish, and down 0.8%. The Euro (FXE) is very bearish, and down 0.6%. The Swiss Franc (FXF) is very bearish, and down 1.4%, and the Japanese Yen (FXY) is bearish and down 0.8%.

The US dollar slipped lower this week as weaker than expected US economic data, less hawkish messaging from the Fed, and improved risk appetite abroad due to lower oil prices and reduced demand for the greenback. At the same time, the euro strengthened after Eurozone inflation surprised to the upside, increasing expectations that the ECB may need to tighten monetary policy further. (The euro accounts for nearly 60% of the US. Dollar Index and has a significant impact on the dollar. The Japanese yen also appreciated as markets anticipated further policy normalization by the BoJ and speculated about possible official support for the currency.) Finally, traders took profits after the dollar's strong rally in recent weeks, amplifying the move lower. Overall, the dollar's weakness reflected changing interest rate expectations and a narrowing gap between US monetary policy and that of other major central banks rather than a sharp deterioration in US economic fundamentals. Next week: stronger US jobs or inflation data could revive expectations for tighter Fed policy and support the dollar. Softer US growth, on the other hand, while Europe and Japan move toward tighter policies, could keep the dollar under pressure.

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Carry-trade This Week

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

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

#9 LONG US TREASURIES Retreat

US Long Treasury Bonds: EDV fell 2.3% this week, after losing 2.1% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 6.0% for the quarter (13 weeks) and down 6.0% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 12 ticks to 4.74%, and the 3-month yield fell to 3.68%, with the yield curve steepening to 106 basis points. That reduces the odds of a recession in mid-2027. At $59.46, EDV is below its short-term (50-day) average and below its intermediate-term (200-day) average. Momentum (PMO) is negative and deteriorating, and its 14-day RSI of 29.8 means EDV is technically oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Very long US Treasury bonds fell this week as investors pushed yields higher in response to renewed inflation concerns, persistent fiscal deficits, and expectations that interest rates may remain elevated for longer. Oil and commodity prices pose a threat that inflation could remain above the Federal Reserve's target, leading investors to demand higher long-term yields. At the same time, continued heavy issuance of Treasury securities to finance large federal deficits increased the supply of long-dated bonds, putting additional upward pressure on yields. Although the Fed left interest rates unchanged this week, the bank appears to be leaning toward two rate hikes by year-end. Given generally resilient economic data, it is expected that monetary policy may remain restrictive for an extended period. Improved global market sentiment reduced demand Dollars and for Treasuries as safe-haven assets, with some investors shifting toward equities and corporate credit. Overall, higher inflation expectations, an increase in Treasury supply, and a higher-for-longer interest rate outlook led to the weakness in bonds-- not a significant deterioration in the economic outlook. Future inflation and employment data will likely determine whether yields continue to rise or long-term bonds regain support.

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

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US Equity Market:
#6 US LARGE-CAPS Regain 50-day

US Large-Cap Stocks: SPY rose 1.1% this week, after losing 0.6% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is up 5.2% for the quarter (13 weeks), and up 21.6% for the year (52 weeks). At $747.03, SPY is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 53.1 means SPY is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

US equities advanced this week as strong corporate earnings, resilient economic activity, and continued enthusiasm for artificial intelligence outweighed concerns about elevated interest rates. Many large-cap companies, particularly in the technology sector, reported earnings that met or exceeded expectations, with AI-related investment continuing to support revenue growth and optimistic guidance. The Federal Reserve's decision to leave interest rates unchanged eased fears of additional near-term tightening, while economic data indicated moderating but still solid growth. Healthy consumer spending and a stable labor market helped reduce recession concerns and supported confidence in continued corporate profit growth. A weaker US dollar also benefited multinational companies by improving export competitiveness and increasing the value of overseas earnings. Meanwhile, easing geopolitical tensions and improving investor sentiment encouraged additional flows into equities. Overall, the market's gains reflected confidence in corporate earnings and the resilience of the US economy rather than expectations of easier monetary policy.

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:
#2 US SMALL-CAPs Flat

US Small-Cap Stocks: IWM rose fractionally (0.0%) this week, after losing 1.0% last week. That leaves it bullish and ranked 2 globally and more attractive than cash. The index is up 6.6% for the quarter (13 weeks), and up 37.0% for the year (52 weeks). At $291.20, IWM is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 47.0 means IWM is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

US small-cap equities advanced this week as improving confidence in the domestic economy outweighed concerns about elevated interest rates. Economic data continued to point to moderate but resilient growth, with healthy consumer spending, a solid labor market, and steady business activity easing fears of an imminent recession. Because small-cap companies generate most of their revenues within the United States, they were well positioned to benefit from a favorable domestic outlook. The Federal Reserve's decision to leave interest rates unchanged also supported the sector by reducing concerns about additional increases in borrowing costs, an important consideration for smaller companies that depend more heavily on bank financing. Better-than-expected corporate earnings and positive guidance further boosted investor confidence. Investors have also broadened their exposure beyond the large-cap technology sector, rotating into more economically sensitive industries such as financials, industrials, and consumer discretionary, which are well represented in small-cap indices. Overall, the week's gains reflected growing confidence in the resilience of the US economy and the potential for continued earnings growth if economic conditions remain supportive. **NOTE: IWM remains on the cusp of a stop-loss confirmed by a breakdown in its 50-day. It could cause three of our models to switch out next week.**

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: Week's Top Sectors:
Oil Exploration, Software, Internet

The table below ranks 27 primary US sector ETFs in order of relative momentum this week. Sectors ranked higher than cash are bullish (**buy** or **hold**), and those ranked below cash are bearish (**sell or avoid**). **This week's** US equity sector momentum contracts but remains broadly positive -- 81% of our sectors are buy or hold (L85%) with **BUYS steady at 44%** (L44%) and **HOLDS down to 37% (L41%). Avoids are up at 19% (L15%)**. **Top performers this week:** Software, Internet, Medical Devices, Retail, Oil Exploration. **Week's Worst:** Home Construction, Utilities, Semiconductors, Transports, Reits, Bitcoin. *(Performance *working off a stop-loss, **working off a buy-stop.)*

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	45%	52%	neutral	42.7	-1.48	negative	deteriorating
49%	Oil/Gas Expl & Prod (XOP)	32%	77%	bullish	64.3	1.94	positive	improving
47%	US Oil Equip & Serv (IEZ)	25%	39%	bearish	51.4	-1.45	negative	improving
33%	US Pharmaceuticals (IHE)	20%	112%	very bullish	56.2	2.70	positive	deteriorating
32%	US Technology (IYW)	14%	56%	neutral	47.3	-0.33	negative	deteriorating
30%	Transports (IYT)	11%	85%	very bullish	39.6	0.92	positive	deteriorating
26%	Industrials (XLI)	13%	88%	very bullish	49.7	0.57	positive	deteriorating
26%	US Health Providers (IHF)	15%	107%	very bullish	52.6	2.47	positive	deteriorating
24%	KB Banks (KBE)	10%	103%	very bullish	56.5	1.80	positive	deteriorating
23%	Select Materials (XLB)	13%	71%	bullish	45.5	0.08	positive	improving
21%	US Aerospace & Def (PPA)	11%	69%	bullish	52.3	0.22	positive	improving
16%	Biotechnology (IBB)	9%	85%	very bullish	48.8	1.95	positive	deteriorating
14%	**S&P 500 (SPY)**	**7%**	**65%**	**bullish**	**53.1**	**0.22**	**positive**	**deteriorating**
14%	KBW Insurance (IAK)	8%	110%	very bullish	55.5	2.58	positive	deteriorating
14%	REITs (VNQ)	9%	103%	very bullish	51.1	1.04	positive	improving
11%	Consumer Staples (XLP)	7%	101%	very bullish	51.3	0.57	positive	improving
10%	Capital Markets (KCE)	3%	98%	very bullish	57.2	1.49	positive	improving
9%	Food & Beverage (PBJ)	5%	67%	bullish	45.4	0.27	positive	improving
4%	Utilities (XLU)	3%	52%	neutral	40.3	0.13	positive	deteriorating
3%	Retail (XRT)	2%	92%	very bullish	55.6	1.55	positive	improving
-3%	Home Construction (XHB)	-3%	52%	neutral	39.7	-0.01	negative	deteriorating
-4%	DJ Internet Index (FDN)	-3%	61%	bullish	58.4	0.18	positive	deteriorating
-4%	Bitcoin (BLOK)	-5%	20%	very bearish	44.7	-1.27	negative	deteriorating
-6%	**CASH**	**-3%**	**11%**	**very bearish**	**53.1**	**-0.05**	**negative**	**improving**
-6%	Telecommunications (FCOM)	-7%	0%	very bearish	43.2	-0.91	negative	deteriorating
-11%	Media Portfolio (XLC)	-9%	2%	very bearish	46.2	-0.87	negative	deteriorating
-14%	Software (XSW)	-8%	84%	very bullish	61.4	2.24	positive	improving
-17%	Gold Miners (GDX)	-13%	14%	very bearish	46.0	-2.35	negative	improving
-35%	US Medical Devices (IHI)	-17%	51%	neutral	58.1	1.15	positive	improving

US Sector Top Performers: YTD (7/31/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
50.1%	Semiconductors (SMH)	-3.7%	0.8%	-2.8%	12.2%	**34.2%**	**57.3%**	**83.1%**	**130.6%**
40.5%	Oil/Gas Expl & Prod (XOP)	**1.9%**	2.3%	**4.2%**	4.6%	31.9%	37.8%	38.7%	27.6%
32.9%	US Oil Equip & Serv (IEZ)	-1.1%	**3.4%**	2.3%	-8.8%	11.2%	37.2%	53.5%	23.7%
19.8%	US Pharmaceuticals (IHE)	-0.7%	1.4%	0.7%	17.4%	16.4%	37.4%	53.7%	53.2%
19.2%	US Technology (IYW)	0.8%	-1.3%	-0.5%	12.6%	19.7%	19.1%	31.3%	67.1%
17.6%	US Health Providers (IHF)	-0.2%	-0.3%	-0.5%	**20.4%**	12.8%	11.5%	32.8%	4.1%
15.9%	Industrials (XLI)	-1.5%	1.8%	0.3%	3.3%	8.7%	16.6%	19.2%	48.2%
14.8%	KB Banks (KBE)	0.4%	-1.3%	-0.8%	8.3%	7.4%	23.3%	24.4%	34.7%
13.9%	Transports (IYT)	-3.6%	-1.3%	-4.9%	4.6%	9.9%	21.6%	25.9%	33.5%
11.8%	REITs (VNQ)	-1.8%	0.8%	-1.1%	3.6%	9.5%	7.4%	10.5%	17.9%

INTERNATIONAL MARKETS:
#8 GOLD Bounces Along Near 2026 Low

Gold Bullion: GLD fell 0.1% this week, after gaining 0.9% last week. That left it very bearish and ranked 8 globally and less attractive than cash. The index is down 11.9% for the quarter (13 weeks), but up 20.2% for the year (52 weeks). At $371.54, GLD is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 45.8 means GLD is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Gold bottomed in late-June and has bounced along the bottom since. An unexpectedly weak June jobs report and cool inflation date have reduced the likelihood of a near term Fed rate hike, but gold is actually looking for rate cuts and that likelihood is non-existent. Futures are 67% sure rates will be up at the next meeting September and 88% sure of a hike by December. That, along with recent rate hikes in Europe and Japan are making gold’s prospects in a rising-rate-world appear dim. This week, oil prices and the Dollar are down, helping gold a little but it may not be permanent. A large and persistent US deficit, along with geopolitical uncertainty (Venezuela, Iran, Ukraine) continue to influence demand for gold but US interest rates and the Dollar are the key drivers. Traditional threats (global recession or a severe equity market panic) evidenced by equity margin calls are not in evidence.

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INTERNATIONAL MARKETS:
COMMODITIES Dip With Break in Hostilities

Commodities A bullish CRB fell 2.2% this week after gaining 3.9% last week. That left commodity prices down 1.5% for the quarter (13 weeks), but up 30.1% for the year (52 weeks). At $29.45, the CRB 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 56.1 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) fell 5.5% this week, following last week's gain of 10.3% and is currently bullish. That leaves US oil prices down 4.1% for the quarter (13 weeks), but up 59.4% for the year (52 weeks). At $129.17, USO 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 55.6 means USO is neither overbought nor oversold. A cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Oil dipped to $86 this week, pushing commodities lower even though the US/Iran ceasefire remains broken. It was primarily a temporary pause in US-Iran fighting (and related hopes for de-escalation/diplomacy that might ease shipping disruptions through the Strait of Hormuz), which reduced the geopolitical risk premium. Prices popped a bit after the Fed left interest rates unchanged on Wednesday.

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INTERNATIONAL EQUITIES:
#5 EUROPE Triggers Buy-Stop, New High

European Large-Cap Stocks: IEV rose 2.4% this week, after losing 0.2% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 6.8% for the quarter (13 weeks), and up 26.8% for the year (52 weeks). At $74.29, IEV is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 60.4 means IEV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

IEV pushed to a new high to start Q3 and another this week, the first since the US/Iran ceasefire ended. Credit a temporary pause in US-Iran fighting (and related hopes for de-escalation/diplomacy that might ease shipping disruptions through the Strait of Hormuz), with reducing the geopolitical risk premium and dropping oil prices to $86 a barrel this week. Europe remains vulnerable to an energy-driven stagflation shock should oil inflation persist, and this week Eurozone inflation surprised to the upside. That increased expectations that the ECB may need to tighten monetary policy further, and the euro strengthened. NOTE: A bearish Euro vs. Dollar keeps Europe (IEV +3) weaker than Europe's hedged version (HEDJ +5) and weaker than the US market (VTI +6). Italy (EWI +13), Spain (EWP +10) are outperforming the US. Netherlands (EWN +5) and Ireland (EIRL +5), Britain (EWU +4), and Switzerland (EWL +3) are doing passably, while France (EWQ +3), Germany (EWG -2) and Denmark (EDEN-8 are struggling.

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

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INTERNATIONAL EQUITIES:
#3 JAPAN Flirts With Short-term Trend

Japanese Stocks: EWJ rose 1.3% this week, after gaining 0.8% last week. That left it neutral and ranked 3 globally and more attractive than cash. The index is up 6.1% for the quarter (13 weeks), and up 37.0% for the year (52 weeks). At $92.39, EWJ is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 51.0 means EWJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, however, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Japanese equities were volatile this week with the Nikkei 225 ending roughly flat after sharp mid-week drops and a strong Friday rebound back above its 50--day. The main driver was the swing in AI and semiconductor stocks. Early selling reflected demand skepticism and profit-taking, while Friday's rally tracked a global chip surge, boosted by strong US earnings (Microsoft, Amazon) and Japanese names like Advantest (which raised its profit forecast). The Bank of Japan held rates at 1% as expected, easing policy uncertainty. Stocks also followed Wall Street cues. A weak yen supported exporters, but high oil prices from Middle East tensions remained a headwind for energy-dependent Japan. Overall, tech optimism clashed with geopolitical and cost concerns in a market already down sharply for the month. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ @14) of Japanese equities preferable to both the US (VTI@+6.0) and the dollar version of Japanese equities we track (EWJ @7).

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

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INTERNATIONAL EQUITIES:
#1 ASIA-PACIFIC Suffers China-India Woes

Asia-Pacific ex-Japan: AAXJ rose 0.8% this week, after a flat performance (0.0%) last week. That left it neutral, ranked 1 regionally and more attractive than cash (but working off a stop-loss). The index is up 3.1% for the quarter (13 weeks), and up 38.0% for the year (52 weeks). At $110.72, AAXJ is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 46.4 means AAXJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Asian equities were volatile this week with AAXJ ending fractionally higher after sharp mid-week drops and a strong Friday rebound. Swings in AI and semiconductor stocks were the main driver. Early selling reflected demand skepticism and profit-taking, while Friday’s rally tracked a global chip surge, boosted by strong US earnings (Microsoft, Amazon). A bullish strengthening Dollar, recent monetary tightening by Bank of Japan, and China-specific regulatory developments have not helped Dollar investors in Asian equities. (Oil prices fell to $86 this week moderating the energy situation slightly.) Asian equity markets (AAXJ @6) are comparably attractive with US stocks (VTI +6). Taiwan (EWT +33) is still a standout along with South Korea (EWY +23). Singapore (EWS +12), and Australia (EWA +4) are doing passably. Hong Kong (EWH -2), China (FXI -11), and India (IMVP -12) lag the US and are struggling due to energy and US tariff issues.

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

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INTERNATIONAL EQUITIES:
#4 LATIN AMERICA Begins to Recover

Latin America 40: ILF rose 2.1% this week, after gaining 1.7% last week. That left it bullish and ranked 4 globally and more attractive than cash. The index is down 1.5% for the quarter (13 weeks), but up 53.4% for the year (52 weeks). At $35.37, ILF 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 59.1 means ILF is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

ILF continued to rally back above its 50-day this week, as the bullish US dollar lost ground. Oil and commodity prices fell but Mexico and Brazil continue to show positive improving PMO. ILF's performance has been very volatile making the more diversified Emerging markets (EEM) a more attractive market timing choice. That is increasingly true even though Latin equities were up this week. (ILF -4) is no longer outperforming its US cousin (VTI +6) in Price-Performance vs cash. Colombia (COLO +6), Brazil (EWZ -5), Mexico (EWW -3), Argentina (ARGT -5) and Chile (ECH -16) are all lagging the US. Only Canada (EWC +4) which is not in ILF, but a key player in the Americas also continues respond positively despite 50% US tariffs on the 60% of its exports not covered by USMCA.

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

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INVESTMENT STRATEGIES:
PASSIVE DIVERSIFIED: BUY-AND-HOLD

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

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

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

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

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

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
32%	**(AOA) Aggressive Growth***	**6%**	**57%**	**neutral**	**51.6**	**-0.08**	negative	deteriorating
9%	(AOM) Moderate Growth & Inc*	1%	50%	neutral	48.0	-0.24	negative	deteriorating

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
8.0%	**(AOA) Aggressive Growth**	1.0%	-0.7%	3.4%	6.2%	10.2%	17.2%	35.6%
2.8%	(AOM) Moderate Growth & Inc	0.5%	-0.6%	0.8%	2.3%	4.5%	9.4%	20.9%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
98.0%	(AOA) Aggressive Growth	94.88	96.75	97.72	98.68	82.40	96.99	91.89
98.0%	(AOM) Moderate Growth & Inc	48.63	49.08	49.62	50.10	45.61	49.44	48.12

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**18.0%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	8.0%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.8%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
S&P Benchmark	**9.5%**	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	7.0%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%

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

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

INVESTMENT STRATEGIES:
THE US EQUITY STRATEGY TIMING MODEL

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

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

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

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

IWM leads in overall confidence among USES assets. It also leads in positive PMO. Technical strength is very bullish. IWM has also a triggered a stop-loss as yet unconfirmed— (PMO still positive, 50-day still rising, closing price above 50-day in 5 of last 7 days and above initial stop-loss seven of seven days.)

Best Alternative: Large-cap High Dividend (SPYD) has strong technicals and a positive, improving PMO. Should both MTUM and IWM be on stop losses, it would be the strongest alternative.

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

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	US Momentum (MTUM)*	15%	57%	neutral	44	-0.94	negative	deteriorating
2	77%	US Small-Caps (IWM)***	13%	75%	bullish	47	0.44	positive	deteriorating
3	61%	US High Dividend (SPYD)**	14%	**106%**	**very bullish**	55	**1.31**	**positive**	**improving**
4	49%	S&P Equal Weight (RSP)**	10%	104%	very bullish	56	0.89	positive	deteriorating
5	40%	US Fundamentals (QUAL)**	7%	90%	very bullish	56	0.61	positive	deteriorating
6	40%	US Value (IUSV)**	8%	105%	very bullish	55	0.81	positive	deteriorating
7	38%	US Growth (IUSG)*	6%	50%	neutral	51	-0.23	negative	deteriorating
8	37%	US Large-caps (SPY)***	7%	65%	bullish	53	0.22	positive	deteriorating
9	25%	US Low Volatility (SPLV)**	7%	102%	very bullish	51	1.07	positive	deteriorating
10	11%	Cash (SGOV)	2%	88%	very bullish	100	0.15	positive	deteriorating

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

PERFORMANCE: MTUM (stop-loss) leads YTD and over 13, 26 and 39 weeks, and 3 years. IWM is second YTD.

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

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	**20%**	**US Momentum (MTUM)**	-2.2%	**1.4%**	**8.7%**	**17.3%**	19.0%	25.1%	**64.4%**
2	18%	US Small-Caps (IWM)	0.0%	-1.0%	6.0%	8.4%	**19.1%**	**32.9%**	35.0%
3	14%	US High Dividend (SPYD)	-0.5%	0.7%	6.7%	10.9%	15.6%	20.7%	26.3%
4	12%	S&P Equal Weight (RSP)	0.7%	0.1%	6.2%	8.1%	13.7%	17.5%	32.2%
5	10%	US Fundamentals (QUAL)	1.2%	-0.5%	6.7%	8.7%	12.6%	19.5%	33.9%
6	10%	US Growth (IUSG)	**1.7%**	-1.1%	5.7%	10.2%	12.1%	19.3%	52.1%
7	10%	US Large-caps (SPY)	1.1%	-0.6%	5.7%	9.0%	12.1%	19.0%	42.0%
8	10%	US Value (IUSV)	0.1%	0.0%	5.3%	7.6%	12.7%	19.0%	28.9%
9	7%	US Low Volatility (SPLV)	-1.2%	0.8%	2.9%	5.5%	6.5%	6.7%	18.9%
10	0%	Cash (SGOV)	0.1%	0.1%	1.0%	1.9%	2.9%	3.9%	8.8%

INVESTMENT STRATEGIES:
THE GLOBAL INDEX TIMING MODEL

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

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

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

IWM leads in overall confidence among assets not on a buy-stop. It also leads in positive PMO. Technical strength is very bullish. IWM also a triggered a stop-loss as yet unconfirmed— (PMO still positive, 50-day still rising, closing price above 50-day in 5 of last 7 days and above initial stop-loss seven of seven days.)

The best regional alternative this week is IEV which gave a buy-stop 7/6 and is rallying with lower oil prices this week. That however may be temporary. The best Index alternative is US large caps (SPY) or Developed Markets (EFA).

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

The Global Index Model continues to outperform the S&P, all Buy-and-Hold allocations, and the USES and TSP models in a major way. *stop-loss active **buy-stop active ***note

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	**79%**	**Emerging Markets (EEM)***	46%	neutral	47.3	-1.12	negative	deteriorating
2	77%	US Small-caps (IWM)	75%	bullish	47.0	0.44	positive	deteriorating
3	47%	Developed Markets (EFA)	**91%**	**very bullish**	57.8	**0.59**	**positive**	**improving**
4	37%	US Large-caps (SPY)	65%	bullish	53.1	0.22	positive	deteriorating
5	11%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	deteriorating
6	-27%	Gold Bullion (GLD)	11%	very bearish	45.8	-1.62	negative	improving
7	-35%	Very Long US Bonds (EDV)	2%	very bearish	29.8	-1.16	negative	deteriorating

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

	YTD	FUND	07/31/26	07/24/26	13wk	26wk	39wk	52wk
1	**18.3%**	**US Small-caps (IWM)**	0.0%	-1.0%	**6.6%**	**12.3%**	**17.9%**	**37.0%**
2	17.1%	Emerging Markets (EEM)	1.2%	0.1%	2.3%	9.7%	17.5%	35.9%
3	9.9%	Developed Markets (EFA)	**2.1%**	0.1%	6.3%	7.0%	15.0%	23.9%
4	9.5%	US Large-caps (SPY)	1.1%	-0.6%	5.2%	9.5%	9.7%	21.6%
5	0.3%	Short US Income (SGOV)	0.1%	0.1%	0.9%	1.8%	2.8%	3.8%
6	-6.3%	Gold Bullion (GLD)	-0.1%	**0.9%**	-11.9%	-18.2%	2.0%	20.2%
7	-8.5%	Very Long US Bonds (EDV)	-2.3%	-2.1%	-6.0%	-5.4%	-13.3%	-6.0%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**18.0%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	8.0%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.8%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%

INVESTMENT STRATEGIES:
THE THRIFT SAVINGS PLAN TIMING MODEL

TSP Momentum & Performance

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

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

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

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

IWM leads in overall confidence among assets still working off a buy-stop. It also leads in positive PMO. Technical strength is very bullish. NOTE: IWM also a triggered a stop-loss as yet unconfirmed— (PMO still positive, 50-day still rising, closing price above 50-day in 5 of last 7 days and above initial stop-loss seven of seven days.)

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

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

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	International Fund (I)*	**13%**	63%	bullish	53.3	-0.08	negative	deteriorating
2	78%	US Small-caps (S)***	9%	**78%**	bullish	46.0	**0.27**	**positive**	deteriorating
3	73%	Lifetime 2060	9%	67%	bullish	52.4	0.12	positive	deteriorating
4	59%	Lifetime 2050	7%	67%	bullish	52.4	0.10	positive	deteriorating
5	54%	US Large-caps (C)	7%	66%	bullish	53.0	0.21	positive	deteriorating
6	52%	Lifetime 2040	7%	68%	bullish	52.5	0.11	positive	deteriorating
7	41%	Lifetime 2030	5%	71%	bullish	53.1	0.13	positive	deteriorating
8	22%	Long-term Inc (L)	3%	77%	bullish	54.7	0.14	positive	deteriorating
9	3%	Short-term Inc (G)	0%	101%	very bullish	100.0	0.18	positive	deteriorating
10	-15%	Fixed Income (F)	-2%	17%	very bearish	38.8	-0.19	negative	deteriorating

TSP Lifetime & Index Funds: Performance Progression

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

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**International Fund (I)***	**1.8%**	-0.1%	3.6%	**10.8%**	**20.3%**	**31.3%**	**15.4%**	**48.6%**
2	US Small-caps (S)	0.0%	-0.9%	3.9%	7.3%	14.1%	23.3%	13.5%	35.7%
3	Lifetime 2060	1.2%	-0.5%	4.7%	9.2%	15.9%	25.0%	12.3%	43.1%
4	Lifetime 2050	1.0%	-0.4%	3.9%	7.8%	13.4%	21.1%	10.5%	36.7%
5	US Large-caps (C)	1.1%	-0.6%	**5.7%**	8.6%	13.4%	21.5%	10.1%	41.2%
6	Lifetime 2040	0.8%	-0.4%	3.6%	7.2%	12.2%	18.9%	9.5%	33.2%
7	Lifetime 2030	0.7%	-0.3%	3.1%	6.0%	10.2%	16.0%	7.9%	28.5%
8	Long-term Inc (L)	0.4%	-0.1%	2.1%	4.2%	6.7%	9.8%	5.2%	17.8%
9	Short-term Inc (G)	0.1%	**0.1%**	1.3%	2.4%	3.5%	4.4%	2.6%	9.0%
10	Fixed Income (F)	-0.1%	-0.7%	-1.4%	-0.7%	-0.6%	1.9%	-0.6%	6.8%

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

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**12.3%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	10.5%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	9.5%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	7.1%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	7.9%	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

JULY'S FED OPEN MARKET COMMITTEE MEETING

The July 28–29, 2026, FOMC meeting (statement and decision released July 29) held the federal funds rate target range steady at 3.50%–3.75% by a 9–3 vote. This continues the policy stance in place since late 2025 / early 2026. The Committee is also maintaining its approach of ample reserves in the banking system.

Vote details

- **Majority (9):** Hold rates.
- **Dissents (3):** Beth M. Hammack (Cleveland Fed), Neel Kashkari (Minneapolis Fed), and Lorie K. Logan (Dallas Fed) preferred a 25-basis-point increase. This was one of the more divided votes in recent years (noted as the most divided since around 2016 in some coverage).

Key points from the statement

- Economic activity is expanding at a solid pace despite elevated uncertainty (partly from the conflict in the Middle East).
- Productivity growth and capital investment are strong.
- Job gains have kept pace with the workforce; the unemployment rate has changed little.
- Inflation remains elevated relative to the 2% goal, in part due to supply shocks that have driven price increases in certain sectors (including energy).
- The Committee "will deliver price stability."

The statement itself is relatively brief and factual, consistent with the streamlined style under Chair Kevin Warsh (who has emphasized less forward guidance and letting markets react more directly to data).

Chair Warsh's press conference highlights

Warsh (in his second meeting as Chair) described collegial but vigorous "family fight" discussions. He stressed:

- Strong resolve on the hard 2% inflation target (no soft or implicit higher target).
- Impressive economic resilience, solid growth trends, steady labor markets, and notably strong business investment/capex (especially AI/high-tech equipment and software, with recent four-quarter growth rates near 20%).
- Material rise in nominal and real Treasury yields since the prior meeting (even without a Fed rate change), which he framed positively as markets responding more directly to data with reduced Fed forward guidance.
- Focus on longer-term issues: effects of multi-year high inflation, various supply shocks (pandemic, conflicts, energy, tariffs, AI investment boom), whether certain price pressures (e.g., chips/AI infrastructure) signal broader inflation dynamics, and the role of the balance sheet alongside the policy rate.
- Data dependence on trends rather than any single print (e.g., recent cooler CPI was not decisive).

Overall takeaway: A hold was widely expected as the base case, but the three dissents for an immediate hike underscored hawkish pressure amid still-elevated inflation, strong demand/investment (including AI-related), and geopolitical/energy risks. Markets and yields had already tightened somewhat in the intermeeting period. The Fed signaled continued vigilance on price stability without committing to a near-term path, keeping the door open for future adjustments based on incoming data and risks. Minutes and further details will provide more color when released.