MOOSECALLS

Global Financial News & Analysis
AUG.21.2026 through AUG.30.2026

EXECUTIVE SUMMARY: AUG.21.2026

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

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

THIS WEEK: 1st Risk-OFF week after 3 Risk-ON weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds FLAT and Gold UP

US RISK APPETITE ABATES

After a three-week rally that pushed US stocks to new highs earlier this August, both small (-1.7%) and large-cap (-1.4%) US equities retreated after the US Dollar (-0.7%) gapped lower on Treasury's efforts to double bond buybacks (See Moospeak.) The Treasury effort to lower long term rates ultimately left US Long Bonds flat (+0.1%) on the week. Cash yield added a tick to 3.71% and the ten-year rose to 4.74% steepening the yield curve to 103 bps. While hurting US risk assets, the declining greenback did help commodities (+4.2%), including gold (+5.4%) and oil (+6.4%) which closed the week above $86/bbl. Offshore equities also benefitted (mostly). Latin America (+3.2) rebounded from last week's 3% loss; while Asia-Pacific (+0.4%) and Europe (+0.3%) gained fractionally. After a 3-week 11% run, only Japan (-3.1%) gave some back. There were no changes to the models this week.

GLOBAL OUTLOOK NEUTRAL (2 of 4 and down this week). War has the Baltic Dry Index and oil down over the last quarter, while copper prices and bond yields are higher, leaving the outlook neutral.

INFLATION: Export and Import inflation are both cooling in July but still above target. WTI oil prices rose 6% this week and are now back above $85 per barrel, but 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: A modest improvement in industrial production and capacity utilization in July. Housing starts weakened. Export and Import disinflation in July but still above annual target. Recession chances a year out shrinking and minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q3) down as of 8/19: 4.0%.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.75 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting is in late September (9/29). Iran war adds to inflation fears. Fed Check (86) is improved but remains hawkish since 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) After the weak jobs and inflation reports, odds are now better than 50-50 (60%) that rates will be unchanged at the next Fed meeting in September. By December, however, a Fed rate HIKE (72%) is the most likely outcome.

INVESTMENT STRATEGIES: There were no changes to the models this week.

GLOBAL OUTLOOK: NEUTRAL (2 of 4)

Indications are neutral for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index is at 2841 this week, down from 2844 last week and down 9.74% 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 is at $87.06 this week, down 10% 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 6.67 this week, and up 3% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.74% this week, up 18 basis points 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.30.2026

THIS WEEK: 1st Risk-OFF week after 3 Risk-ON weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds FLAT and Gold UP

The best regional alternative over the last six months this week is AAXJ, but its technical and PMO scores continue to lag. The regional model sticks with incumbent #1 US small-caps (CI second place) which are technically very bullish with a positive but deteriorating PMO. Equities are still the best place to be, but there is currently rotation from US (dollar-based) assets into foreign assets and gold. The recent US-Japan joint foreign exchange intervention to smooth out "disorderly Yen movements" and this week's Treasury action to double bond buy-backs have fostered the rotation by weakening the Dollar.

** 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)**	81%	very bullish	56.2	0.54	positive	improving
2	86%	US Small-caps (IWM)	97%	**very bullish**	52.6	**0.95**	**positive**	deteriorating
3	80%	Japan (EWJ)	89%	very bullish	51.9	1.23	positive	improving
4	58%	Latin America (ILF)	35%	bearish	55.7	-0.31	negative	deteriorating
5	50%	US Large-caps (SPY)	99%	very bullish	54.3	1.07	positive	deteriorating
6	46%	Europe (IEV)	**100%**	**very bullish**	62.5	1.28	positive	deteriorating
7	11%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	deteriorating
8	-23%	Gold Bullion (GLD)	48%	neutral	71.2	**2.00**	**positive**	**improving**
9	-41%	Very Long US Bonds (EDV)	2%	very bearish	43.6	-1.27	negative	improving
		US Dollar	64%	bullish	35.1		negative	deteriorating
		Commodities	104%	very bullish	68.2		positive	improving
		US Oil	93%	very bullish	61.6		positive	improving
		Ryan/CRB	86%	HIKE RATES				
		Volatility	14.4	reduced fear				

AAXJ and IWM are the best performing regional choices YTD. IWM, however, is less volatile. It also leads in 13 and 26-week performance, key metrics in our system. Japan has shown life lately, thanks to the US-Japan joint foreign exchange intervention, but that would appear to be temporary until stabilization is realized. Among international equities Emerging markets (EEM) are outperforming Developed (EFA).

YTD	FUND	08/21/26	08/14/26	13wk	26wk	39wk	52wk	3Y
24.9%	Asia Pacific ex-Japan (AAXJ)	0.4%	**2.0%**	4.8%	9.5%	**29.9%**	37.6%	**71.7%**
21.9%	**US Small-caps (IWM)**	-1.7%	1.2%	**10.2%**	**13.3%**	29.5%	29.1%	44.7%
17.9%	Japan (EWJ)	-3.1%	1.4%	6.0%	3.5%	28.3%	29.7%	59.9%
13.9%	Latin America (ILF)	3.2%	-2.9%	2.2%	-4.6%	22.0%	**38.7%**	51.4%
12.3%	US Large-caps (SPY)	-1.4%	0.4%	4.6%	11.7%	17.0%	20.0%	41.9%
10.6%	Europe (IEV)	0.3%	-0.2%	8.6%	4.0%	21.3%	21.0%	46.3%
6.8%	Gold Bullion (GLD)	**5.4%**	0.8%	2.9%	-11.3%	13.1%	36.3%	86.6%
0.2%	Short US Income (SGOV)	0.1%	0.1%	1.0%	1.8%	2.8%	3.9%	8.7%
-8.5%	Very Long US Bonds (EDV)	0.1%	-1.5%	-0.6%	-11.1%	-8.7%	-4.4%	-16.8%

Global Economy through AUG.30.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

THIS WEEK: 1st Risk-OFF week after 3 Risk-ON weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds FLAT and Gold UP

#1 ASIA-PACIFIC Steadies at Support—
AAXJ rose 0.4% this week, after gaining 2.0% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 4.8% for the quarter (13 weeks), and 37.6% for the year (52 weeks).

#2 US SMALL-CAPs Settle Lower--
IWM fell 1.7% this week, after gaining 1.2% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 10.2% for the quarter (13 weeks), and 29.1% for the year (52 weeks).

#3 JAPAN Gaps Down Off Latest High--
EWJ fell 3.1% this week, after gaining 1.4% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 6.0% for the quarter (13 weeks), and 29.7% for the year (52 weeks).

#4 LATIN AMERICA Holds Intermediate Support--
ILF rose 3.2% this week, after losing 2.9% last week. That left it bearish and ranked 4 globally and more attractive than cash. The index is up 2.2% for the quarter (13 weeks), and 38.7% for the year (52 weeks).

#5 EUROPE Hovers Near High--
IEV rose 0.3% 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 8.6% for the quarter (13 weeks), and 21.0% for the year (52 weeks).

#6 US LARGE-CAPS Slip Off High--
SPY fell 1.4% this week, after gaining 0.4% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 4.6% for the quarter (13 weeks), and 20.0% for the year (52 weeks).

#7 US Cash Yield Up a Tick—
The three-month T-Bill yield is 3.71%, up a tick 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 made. Meanwhile, the two-year Treasury is yielding 4.24%, a 53 basis-point premium to cash.

#8 GOLD Retakes 200-day After 12 Weeks--
GLD rose 5.4% this week, after gaining 0.8% last week. That left it neutral and ranked 8 globally and less attractive than cash. The index is up 2.9% for the quarter (13 weeks), and 36.3% for the year (52 weeks).

#9 US LONG T-s Gap and Fill on Treasury Action--
EDV rose 0.1% this week, after losing 1.5% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 0.6% for the quarter (13 weeks) and down 4.4% for the year (52 weeks) as yields have risen.

COMMODITIES Push Higher--
A very bullish CRB rose 4.2% this week after gaining 3.8% last week. That left commodity prices up 0.4% for the quarter (13 weeks), and up 43.0% for the year (52 weeks).

Crude Oil Up: Meanwhile, the broader oil complex (USO) rose 6.4% this week, following last week's gain of 7.3% and currently very bullish. That leaves US oil prices down 5.8% for the quarter (13 weeks), but up 83.1% for the year (52 weeks).

US DOLLAR Drops—
UUP fell 0.7% this week, after gaining 0.1% last week. It is currently bullish—up 2.0% for the quarter (13 weeks), and up 1.6% in the last year (52 weeks).

US ECONOMY: AUG.21.2026:

OVERALL: JULY Ex/Im Inflation Cools, Starts Disappoint

PRODUCTION: Modest Production Improvement

(+) WEEKLY EIA Crude Oil Inventories (+4.41M) build drops as WTIC oil prices rise past $86.
(-) JUL Industrial Production (+0.2%) below prior and below consensus.
(+) JUL Capacity Utilization (76.3) above previous in line with expectations.
(+) JUL S&P Global U.S. Manufacturing PMI – (53.2) expanding, DOWN from previous.
(+) JUL S&P Global U.S. Services PMI – (56.8) expanding, UP from previous.
(+) JUL ISM Manufacturing Index (55.6) expanding, above prior and consensus.
(+) JUL ISM Services Index (54.1) expanding, up from prior but less than expected.

CONSTRUCTION: July Housing Starts Down

(-) JUL Housing Starts (1239K) well below consensus and previous.
(+) JUL Building Permits (1443K) above consensus and prior.
(-) JUL Existing Home Sales (4.06M) below previous and consensus.
(+) JUN New Home Sales (628K) beat prior and forecasts.
(-) JUN Construction Spending (-0.1%) below prior and expectations.

INFLATION: July Import/Export Prices Cool

(+) JUL CPI (+0.1%) cooler than prior and consensus. (+3.4% y-o-y)
(+) JUL Core CPI (+0.2%) cooler than prior and forecasts. (+2.5% y-o-y)
(+) JUL PPI:(+0.0%) cooler than prior and consensus. (+4.7% y-o-y)
(+) JUL Core PPI (+0.2%) cooler than prior and forecasts. (+4.2% y-o-y)
(-) JUL Import Prices (-0.4%) cooling but still hot. (+5.9% y-o-y)
(+) JUL Export Prices (-1.3%) cooling, but still hot. (+8.2% 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: Claims Data Mixed

(+) Weekly initial Claims (206K) lower than previous and expectations.
(-) Weekly Continuing Claims (1799K) above previous this week.
(-) JUL ADP Private Payrolls (44K) Down from previous more than expected.
(-) JUL Nonfarm Payrolls (-23K) unexpectedly contracted from prior; well below consensus.
(+) JUL Unemployment rate (+4.1%) down a tick due to shrinking labor force participation.
(-) JUL Average Hourly Earnings (+0.1%) weaker than previous, and below expectations.
(-) JUL Average workweek (34.3) unchanged.
(-) JUN JOLTS Job openings (7.359) DOWN from prior below revision lower.

CONSUMPTION: TRADE DEFICIT EXPANDS, RETAIL NEGATIVE

(-) 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.
(+) AUG Michigan Consumer Sentiment (51.0) growing, but below consensus and prior.
(+) JUL NFIB Small Business Optimism (99.8) strong and above prior (97.4).
(-) JUL Retail Sales (-0.6%) unexpectedly contracted.
(+) JUN Trade Deficit (-$73.3) beat prior in line with consensus.
(+) JUL Federal Budget (-$432.3B) in deficit and worse than June.

GDP & RELATED DATA: Productivity Weaker than Expected

(+) 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.
(-) Q2 Productivity – (+0.3%) revised weaker than prior and consensus
(-) Q2 Unit Labor Costs – Warm (+1.3%) in line with previous but below consensus. Cooler than inflation.
(-) Q1 Current Account Balance (-$226.8) deficit greater than previous quarter and consensus forecast.

RECESSION THREAT: MINIMAL, FALLING

US recession chances one year out: 15.19% (JULY 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 4.0%

Atlanta Fed Current GDP Model (08/18/2026): Q3 Annualized 4.0% (Last week: Q3 Annualized +4.3%)

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.75T); FFR @ (3.50-3.75%)

Federal Reserve: week of AUG.21.2026

Currently, the Fed's balance sheet is 6.746, down 0.008 in the latest week 8/19/26. 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. The new chairman since May 22, Kevin Warsh, chaired his first FOMC meeting June 17. **No near-term rate hikes were expected or delivered 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, however, that rates will remain unchanged at the next meeting have improved to 60% after the latest payroll and inflation reports.**

The Fed Check at 86% turned hawkish (below 95%) as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at 4.24%, however, is now 62 bps higher 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 103 bps this week, as the 10-year US Treasury yield rose to 4.74% and the 3-month cash yield rose to 3.71%. **Intermediate term the yield 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 is 4.23, above its 200-day 3.98. **A rising median yield and a steepening yield curve are both bullish for stocks**.

3-month SOFR yield is 3.63%, while the 3-month T-bill is 3.71%. That puts the SOFR/T-Bill (SOF-T) spread at -0.08 basis points, below its 200-day average of 0.04 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: HAWKISH

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 Drops

US Dollar: UUP fell 0.7% this week, after gaining 0.1% last week. It is currently bullish—up 2.0% for the quarter (13 weeks), and up 1.6% in the last year (52 weeks). At $27.90, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is negative but deteriorating. RSI14 @ 35.1 is neither overbought nor oversold. As for other major currencies vs the Dollar, the Australian $ (FXA) is bullish, and up 0.2% this week. The British Pound (FXB) is very bullish, and up 0.3% this week. The Canadian Dollar (FXC) is bullish, and up 0.5%. The Euro Dollar (FXE) is neutral, and up 0.1%. The Swiss Franc (FXF) is very bearish, and down 0.7%. The Japanese Yen (FXY) is neutral, and down 1.1%.

The 18-day US dollar retreat gapped lower this week amid a new Treasury bond buy-back program, cooler than expected US Export-Import inflation, and less hawkish messaging from the Fed. (See Moospeak.) A jump in oil prices out of the Middle East and in Eurozone inflation is 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.) Meanwhile, the Japanese yen is also stronger after US support. Overall, the dollar's weakness is reflecting 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. Cooler US growth, however, 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)	bullish	US$ Investors underperform hedged
British Pound (FXB)	very bullish	US$ Investors underperform hedged
Canadian Dollar (FXC)	bullish	US$ Investors underperform hedged
Euro Dollar (FXE)	neutral	US$ investors match hedged (IEV<HEDJ)
Swiss Franc (FXF)	very bearish	US$ investors outperform hedged
Japanese Yen FXY)	neutral	US$ investors match hedged (EWJ<DXJ)
US Dollar	bullish	

#9 LONG US T-Bonds Gap and Fill on Treasury Action

US Long Treasury Bonds: EDV rose 0.1% this week, after losing 1.5% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 0.6% for the quarter (13 weeks) and down 4.4% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 4 ticks to 4.74%, and the 3-month yield rose 1 tick to 3.71%, with the yield curve steepening to 103 basis points. That reduces the odds of a recession in late 2026. At US $59.51, EDV is below its short-term (50-day) average and below its intermediate-term (200-day) average. Momentum (PMO) is negative but improving, and its 14-day RSI of 43.6 means EDV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Wednesday of this week Treasury announced a plan to double its buybacks of long-term T-Bonds after the 30-year yield reached levels not seen since the 2008 financial crisis. The idea was to ease pressure on long-term borrowing costs for the government, businesses, and consumers. It worked for about a day. Long term interest rates initially fell about 10 bps, and US stocks rose. By Friday's close, however, 10 and 30-year yields were back at or above preannouncement levels, stocks were down on the week, and the Dollar was decidedly weaker. Essentially fundamentals took over and yields recovered, underscoring that sustained lower long-term rates will likely require improvements in the fiscal outlook, inflation trajectory, or other structural factors rather than buybacks alone.

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#6 US LARGE-CAPS Slip Off High

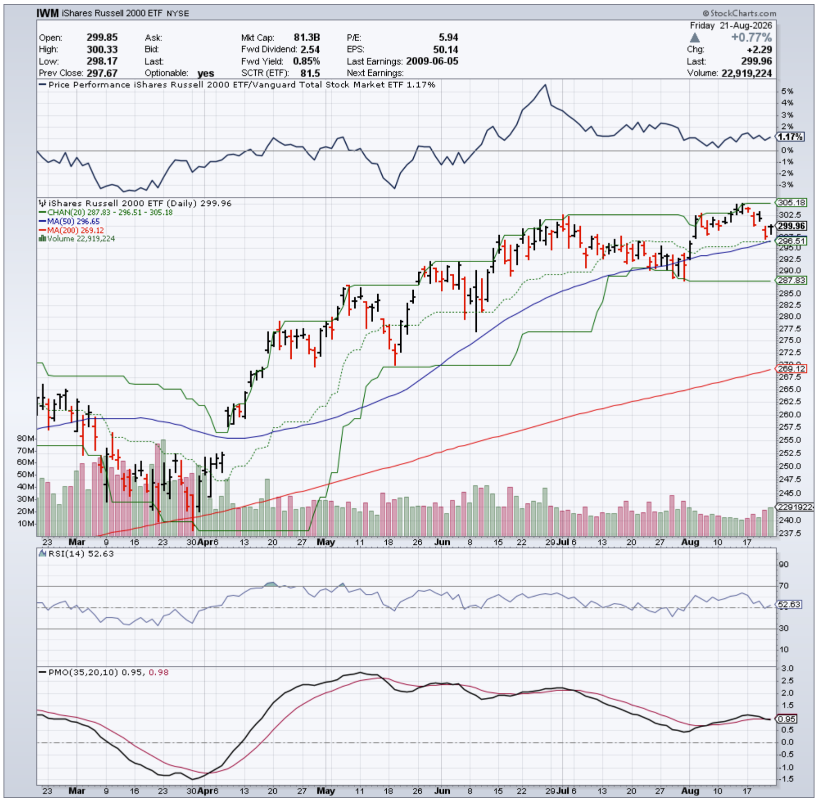
US Large-Cap Stocks: SPY fell 1.4% this week, after gaining 0.4% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 4.6% for the quarter (13 weeks), and 20.0% for the year (52 weeks). At $765.72, SPY is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 54.3 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 large-cap equities slipped from their most recent new high this week, as the US Dollar weakened amid increasing US bond buy-backs. A lackluster jobs market and cooler than expected inflation (including this week's Ex-Im releases) are keeping inflation under wraps. Absent inflation, however, a global increase in demand for credit from private and public sources is elevating interest rates as economic data has been pointing to moderate but resilient growth, healthy consumer spending, and steady business activity-- easing fears of an imminent recession. Among large caps, strong corporate earnings and continued enthusiasm for artificial intelligence outweighed concerns about rising interest rates until this week's Treasury buy-back plan seemed to highlight new government concern. GDP now data indicates 4% Q3 growth. Healthy consumer spending despite labor market woes helps reduce recession concerns and support confidence in continued corporate profit growth. A falling US dollar works against US multinationals curbing their export competitiveness and the value of overseas earnings.

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#2 US SMALL-CAPs Settle Lower



US Small-Cap Stocks: IWM fell 1.7% this week, after gaining 1.2% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 10.2% for the quarter (13 weeks), and 29.1% for the year (52 weeks). At $299.96, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 52.6 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 slipped from their most recent new high this week, as the US Dollar weakened amid increasing US bond buy-backs. A lackluster jobs market and cooler than expected inflation (including this week's Ex-Im releases) are keeping inflation under wraps. Absent inflation, however, the increased demand for credit from private and public sources is elevating interest rates—not helpful for small-cap business. Economic data has been pointing to moderate but resilient growth, healthy consumer spending, and steady business activity-- easing fears of an imminent recession. Small-cap companies generate most of their revenues within the United States and suffer more amid an unfavorable domestic outlook. Any Fed decision to leave interest rates unchanged also supports the sector by reducing concerns about additional increases in borrowing costs, an important consideration for smaller companies that depend more heavily on bank financing. Economically sensitive industries include financials, industrials, and consumer discretionary, which are well represented in small-cap indices.

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, Pharma, Bitcoin, Gold Miners

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 (L81%) with **BUYS steady at 44%** (L44%) and **HOLDS steady at 37% (**L37%). **Avoids are steady at 19%** (L19%). **Top performers this week:** Gold Miners, Biotech, Oil & Gas Production, Pharma, Bitcoin. **Week's Worst:** Semiconductors, Aerospace, Banks, Utilities.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	46%	68%	bullish	45.7	-0.01	negative	improving
71%	Oil/Gas Expl & Prod (XOP)	41%	95%	very bullish	71.9	3.39	positive	improving
64%	US Oil Equip & Serv (IEZ)	31%	79%	bullish	58.0	1.96	positive	improving
41%	US Technology (IYW)	21%	99%	very bullish	49.6	1.16	positive	deteriorating
35%	US Pharmaceuticals (IHE)	22%	113%	very bullish	64.2	2.31	positive	improving
28%	Industrials (XLI)	12%	86%	very bullish	43.0	0.67	positive	deteriorating
28%	US Health Providers (IHF)	12%	102%	very bullish	54.1	1.15	positive	deteriorating
25%	Biotechnology (IBB)	20%	119%	very bullish	70.7	3.60	positive	improving
24%	Transports (IYT)	11%	89%	very bullish	51.1	0.40	positive	deteriorating
23%	US Aerospace & Def (PPA)	6%	78%	bullish	40.2	1.08	positive	deteriorating
22%	Select Materials (XLB)	10%	88%	very bullish	61.2	0.93	positive	improving
21%	KB Banks (KBE)	9%	94%	very bullish	43.0	1.04	positive	deteriorating
19%	**S&P 500 (SPY)**	**10%**	**99%**	**very bullish**	**54.3**	**1.07**	**positive**	**deteriorating**
15%	REITs (VNQ)	8%	84%	very bullish	50.8	0.19	positive	deteriorating
13%	Consumer Staples (XLP)	8%	96%	very bullish	54.1	0.51	positive	improving
11%	Capital Markets (KCE)	5%	108%	very bullish	64.9	2.31	positive	improving
10%	KBW Insurance (IAK)	4%	91%	very bullish	45.7	0.81	positive	deteriorating
7%	DJ Internet Index (FDN)	4%	98%	very bullish	56.2	2.04	positive	deteriorating
7%	Food & Beverage (PBJ)	6%	65%	bullish	58.0	0.08	positive	improving
1%	Home Construction (XHB)	-1%	54%	neutral	46.7	0.12	positive	deteriorating
1%	Utilities (XLU)	1%	17%	very bearish	32.6	-0.90	negative	deteriorating
0%	Software (XSW)	3%	113%	very bullish	65.9	4.46	positive	improving
-1%	Bitcoin (BLOK)	-3%	35%	bearish	57.3	-0.20	negative	improving
-2%	Retail (XRT)	-4%	68%	bullish	46.1	0.42	positive	deteriorating
-6%	**CASH**	**-3%**	**26%**	**bearish**	**53.0**	**0.00**	**positive**	**improving**
-7%	Gold Miners (GDX)	5%	83%	very bullish	75.3	6.04	positive	improving
-10%	Telecommunications (FCOM)	-7%	16%	very bearish	49.2	-0.17	negative	improving
-14%	Media Portfolio (XLC)	-8%	17%	very bearish	52.5	0.24	positive	improving
-26%	US Medical Devices (IHI)	-14%	77%	bullish	62.8	2.94	positive	improving

US Sector Top Performers: YTD (8/21/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
55.6%	**Semiconductors (SMH)**	-4.7%	0.9%	-3.8%	-3.1%	**38.0%**	**63.0%**	**94.7%**	129.5%
50.1%	**Oil/Gas Expl & Prod (XOP)**	**5.0%**	**8.5%**	**13.5%**	12.0%	31.1%	44.7%	54.9%	40.7%
42.3%	US Oil Equip & Serv (IEZ)	-2.0%	7.9%	5.9%	-5.7%	8.4%	47.3%	70.8%	42.8%
26.5%	Biotechnology (IBB)	7.7%	0.3%	8.0%	**24.7%**	25.2%	30.9%	54.6%	48.0%
25.9%	US Pharmaceuticals (IHE)	4.0%	0.2%	4.2%	19.7%	18.9%	34.5%	54.7%	57.3%
23.8%	US Technology (IYW)	-3.2%	0.6%	-2.7%	1.8%	29.6%	24.9%	38.1%	67.9%
19.9%	Gold Miners (GDX)	14.3%	0.1%	14.4%	9.5%	4.6%	34.6%	78.3%	**183.8%**
18.8%	US Health Providers (IHF)	-0.3%	0.1%	-0.2%	10.8%	25.2%	18.7%	24.1%	2.5%
18.1%	Select Materials (XLB)	1.9%	-0.6%	1.3%	3.6%	1.3%	22.9%	20.0%	21.9%
16.8%	Transports (IYT)	-0.5%	0.2%	-0.2%	9.1%	10.3%	22.3%	24.8%	36.1%

INTERNATIONAL MARKETS:
#8 GOLD Retakes 200-day After 12 Weeks

Gold Bullion: GLD rose 5.4% this week, after gaining 0.8% last week. That left it neutral and ranked 8 globally and less attractive than cash. The index is up 2.9% for the quarter (13 weeks), and 36.3% for the year (52 weeks). At $423.36, GLD 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 71.2 means GLD is overbought. 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 bounced along until it popped higher to start August. At that time, an unexpectedly negative July jobs report decreased near term chances of a rate hike and spiked gold 7%. This week's cool import and export inflation data and a weakening US Dollar continued gold's rally. The likelihood of a near term Fed rate hike is now less than 50-50 (40%), but gold is looking for rate cuts and that prospect is still non-existent. 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 are up, weighing on gold a little. A large and persistent US deficit remains, along with geopolitical uncertainty (Venezuela, Iran, Ukraine) that continues 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 Push Higher

Commodities A very bullish CRB rose 4.2% this week after gaining 3.8% last week. That left commodity prices up 0.4% for the quarter (13 weeks), and up 43.0% for the year (52 weeks). At $31.26 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 and improving, and its 14-day RSI of 68.2 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) rose 6.4% this week, following last week's gain of 7.3% and currently very bullish. That leaves US oil prices down 5.8% for the quarter (13 weeks), but up 83.1% for the year (52 weeks). At $134.64, 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 61.6 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 rose above $86 this week, pushing commodities higher. Renewed US sanctions and economic pressure on Iran have reportedly shut down their ability to export 3M barrels of oil a day—making this primarily a supply-risk/geopolitical price move rather than evidence of stronger global economic demand.

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INTERNATIONAL EQUITIES:
#5 EUROPE Hovers Near High

European Large-Cap Stocks: IEV rose 0.3% 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 8.6% for the quarter (13 weeks), and 21.0% for the year (52 weeks). At $75.86, IEV 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 62.5 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 is sitting just below an all-time high this week. Credit higher oil prices with increasing the geopolitical risk premium. Europe remains vulnerable to an energy-driven stagflation shock should oil inflation persist, and last 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: An improving Euro vs. Dollar keeps Europe (IEV +3) underperforming Europe's hedged version (HEDJ +4) and weaker than the US market (VTI +10). Ireland (EIRL +15), Italy (EWI +15), Spain (EWP +12), and the Netherlands (EWN +10), are matching or outperforming the US. Denmark (EDEN+3), Britain (EWU +2), France (EWQ +1), Switzerland (EWL +1) and Germany (EWG +1), are lagging.

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 Gaps Down Off Latest High

Japanese Stocks: EWJ fell 3.1% this week, after gaining 1.4% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 6.0% for the quarter (13 weeks), and 29.7% for the year (52 weeks). At $95.18, 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 51.9 means EWJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Japan has been benefitting from a recent joint foreign exchange intervention with the US to smooth out “disorderly Yen movements” since late July. This week’s US Treasury action to double bond buy-backs cheapened the Dollar in support of the intervention’s goal of reducing pressure on Japan’s import costs but leaving uncertainty over whether further intervention or a Bank of Japan rate hike will follow. After a three-week 11% rally, EWJ dipped back down to test its 50--day. Japanese shares have benefited from the global equity rally, particularly strength in US. technology stocks which abated this week. Overall, strong global risk appetite and earnings have been supportive of EWJ, while yen volatility, rising yields and BOJ tightening expectations created countervailing pressure. Now with risk appetite fading, things could change. NOTE: For Dollar investors the hedged version of Japanese equities (DXJ @3) is preferable to the dollar-based Japanese equities we track (EWJ @6). but not to US stocks (VTI @10).

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 Steadies at Support

Asia-Pacific ex-Japan: AAXJ rose 0.4% this week, after gaining 2.0% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 4.8% for the quarter (13 weeks), and 37.6% for the year (52 weeks). At $116.32, 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 56.2 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 posted fractional gains again this week capping a 4-week rally with AAXJ still above its 50-day. A weakening Dollar favors the offshore risk environment, particularly in Taiwanese and South Korean technology and semiconductor shares. China remains a mixed influence: government support measures provided some encouragement, but the property sector continued to weigh on confidence, with housing demand and developer financing still weak. Trade policy is another source of uncertainty, particularly for export-oriented economies facing changing US tariff arrangements. Overall, strong technology earnings, easier global financial conditions and renewed interest in Asian equities were positive, while stretched valuations, China's property weakness and continuing trade-policy uncertainty limited the upside. Even so, Asian equity markets (AAXJ @10) remains as attractive than US stocks (VTI +10). Taiwan (EWT +41) is still a standout along with South Korea (EWY +30) followed by Singapore (EWS +16). Australia (EWA +2), Hong Kong (EWH -1), China (FXI -8), and India (IMVP -14) lag the US and are struggling due to energy and US tariffs.

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 Holds Intermediate Support

Latin America 40: ILF rose 3.2% this week, after losing 2.9% last week. That left it bearish and ranked 4 globally and more attractive than cash. The index is up 2.2% for the quarter (13 weeks), and 38.7% for the year (52 weeks). At $34.68, ILF is above 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 55.7 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 dropped below its 50 and 200-day support this week but recovered both by Fridays' close. Oil and commodity prices rose, as did Brazilian and Mexican stocks. ILF's two mainstays, however, continue to lag (COLO) as Colombia continues 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 as Latin equities have retreated. (ILF -5) is no longer outperforming its US cousin (VTI +10 in Price-Performance vs cash. Colombia (COLO +20) is the only equity market outperforming the US. Argentina (ARGT -3), Mexico (EWW -4), Chile (ECH -5) and Brazil (EWZ -10), and are all lagging the US. Canada (EWC +8) 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-OFF week after 3 Risk-ON weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds FLAT and Gold UP

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

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
39%	**(AOA) Aggressive Growth**	**7%**	**89%**	**very bullish**	**55.7**	**0.75**	**positive**	**improving**
12%	(AOM) Moderate Growth & Inc	2%	82%	very bullish	53.4	0.31	positive	improving

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
10.6%	**(AOA) Aggressive Growth**	-0.7%	**0.4%**	**2.0%**	**7.6%**	**13.0%**	**18.4%**	**35.8%**
4.3%	(AOM) Moderate Growth & Inc	**-0.5%**	0.1%	0.6%	2.6%	6.1%	9.7%	20.0%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.0%	(AOM) Moderate Growth & Inc	94.88	99.01	100.03	100.03	84.55	97.54	92.75
99.2%	(AOA) Aggressive Growth	48.63	49.77	50.16	50.16	46.22	49.51	48.35

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**25.6%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	10.6%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.3%	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**
S&P Benchmark	12.3%	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	5.1%	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-OFF week after 3 Risk-ON weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds FLAT and Gold UP

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

MTUM leads in overall confidence and ROC among USES assets, but it lags in technical strength and price momentum (PMO). It triggered a buy-stop (8/13) but price is down since, leaving **incumbent IWM in the USES model's top slot.** IWM's technical strength is very bullish and its PMO is positive but deteriorating.

Best Alternatives: Momentum (MTUM) if the buy-stop confirms. Confirmation means 50-day SMA keeps rising, closing price remains above 50-day and above initial buy-stop. Absent that, Large-cap High Dividend (SPYD) has a better chart and strong technicals as well as a positive (but deteriorating) PMO.

Volatility Alert: IWM has an unfilled downside gap (249-259) from April 8.

*Stop-loss, **Buy-stop, ***note

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Momentum (MTUM)**	**19%**	69%	bullish	46	0.06	**positive**	**improving**
2	86%	US Small-Caps (IWM)	16%	97%	**very bullish**	53	0.95	positive	deteriorating
3	67%	US High Dividend (SPYD)	13%	**104%**	very bullish	59	1.07	positive	deteriorating
4	58%	S&P Equal Weight (RSP)	11%	104%	very bullish	60	**1.31**	positive	deteriorating
5	57%	US Growth (IUSG)	11%	97%	very bullish	51	1.08	positive	deteriorating
6	50%	US Large-caps (SPY)	10%	99%	very bullish	54	1.07	positive	deteriorating
7	50%	US Fundamentals (QUAL)	9%	96%	very bullish	54	1.08	positive	deteriorating
8	45%	US Value (IUSV)	9%	104%	very bullish	100	0.15	positive	deteriorating
9	25%	US Low Volatility (SPLV)	5%	86%	very bullish	43	0.25	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 leads YTD and over 26 weeks and 3 years. IWM is second YTD.

Best Alternative: IWM is the incumbent and a top three performer over most time periods.

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	**22%**	**US Momentum (MTUM)**	-3.8%	**2.6%**	-0.6%	**22.3%**	24.8%	26.6%	**59.3%**
2	22%	US Small-Caps (IWM)	-1.7%	1.2%	5.7%	16.1%	**27.7%**	**34.6%**	44.7%
3	17%	US High Dividend (SPYD)	**0.0%**	1.0%	**8.1%**	7.1%	19.8%	15.8%	25.7%
4	16%	S&P Equal Weight (RSP)	-0.5%	1.2%	8.8%	10.9%	18.9%	20.3%	33.9%
5	13%	US Growth (IUSG)	-2.3%	0.0%	0.2%	16.3%	15.7%	23.0%	50.8%
6	12%	US Fundamentals (QUAL)	-1.2%	0.1%	5.3%	11.6%	15.3%	20.4%	30.5%
7	12%	US Large-caps (SPY)	-1.4%	0.4%	2.6%	13.0%	14.9%	21.3%	41.7%
8	12%	US Value (IUSV)	-0.4%	0.9%	5.9%	9.1%	14.7%	19.8%	30.3%
9	5%	US Low Volatility (SPLV)	-1.4%	0.2%	3.4%	0.9%	5.7%	2.9%	13.7%
10	0%	Cash (SGOV)	0.1%	0.1%	1.0%	1.9%	2.9%	3.9%	8.7%

INVESTMENT STRATEGIES:
THE GLOBAL INDEX TIMING MODEL

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

THIS WEEK: 1st Risk-OFF week after 3 Risk-ON weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds FLAT and Gold UP

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

IWM leads in overall confidence among Global assets, but it lags in its very bullish technical strength and positive price momentum (PMO). Equities are still the best place to be, but there is currently rotation from US (dollar-based) assets into foreign assets and gold. The recent US-Japan joint foreign exchange intervention to smooth out "disorderly Yen movements" and this week's Treasury action to double bond buy-backs have both fostered the rotation by weakening the Dollar.

Best Alternative: Emerging Markets (EEM), Developed Markets (EFA) and gold (GLD) are benefitting from US government currency interventions these days. It remains to be seen how permanent their impact may be.

Volatility Alert: IWM has an unfilled downside gap (249-259) from April 8.

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, **buy-stop, ***note

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	**86%**	**US Small-caps (IWM)**	97%	**very bullish**	52.6	0.95	positive	deteriorating
2	81%	Emerging Markets (EEM)	81%	very bullish	56.7	0.51	positive	improving
3	54%	Developed Markets (EFA)	100%	very bullish	60.5	1.30	positive	deteriorating
4	50%	US Large-caps (SPY)	99%	very bullish	54.3	1.07	positive	deteriorating
5	11%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	deteriorating
6	-23%	Gold Bullion (GLD)	48%	neutral	71.2	**2.00**	**positive**	**improving**
7	-41%	Very Long US Bonds (EDV)	2%	very bearish	43.6	-1.27	negative	improving

Performance-wise, EEM holds year-to-date and 52-week honors this week, but IWM is a close second and leads over 13, 26, and 39 weeks. The last quarter has been volatile, with Foreign equities currently besting US equities due to a weaker Dollar from tariffs and from US small caps showing occasional rotational strength domestically.

	YTD	FUND	08/21/26	08/14/26	13wk	26wk	39wk	52wk
1	**22.7%**	**Emerging Markets (EEM)**	0.8%	1.5%	5.0%	7.6%	26.8%	**35.4%**
2	21.9%	US Small-caps (IWM)	-1.7%	1.2%	**10.2%**	**13.3%**	**29.5%**	29.1%
3	12.7%	Developed Markets (EFA)	-0.4%	0.1%	7.9%	4.3%	21.3%	22.0%
4	12.3%	US Large-caps (SPY)	-1.4%	0.4%	4.6%	11.7%	17.0%	20.0%
5	6.8%	Gold Bullion (GLD)	5.4%	0.8%	2.9%	-11.3%	13.1%	36.3%
6	0.2%	Short US Income (SGOV)	0.1%	0.1%	1.0%	1.8%	2.8%	3.9%
7	-8.5%	Very Long US Bonds (EDV)	0.1%	-1.5%	-0.6%	-11.1%	-8.7%	-4.4%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**25.6%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	10.6%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.3%	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-OFF week after 3 Risk-ON weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds FLAT and Gold UP

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

Fund I (International) leads in overall confidence among TSP assets, but it lags incumbent Fund S (Small-caps) in technical strength and PMO, leaving the incumbent in the TSP model's top slot again this week. Fund S leads in very bullish technical strength and a positive and improving PMO.

Best Alternative: Fund (I) is technically very bullish with a #2 positive, improving PMO. It is currently benefitting from US programs to support the Yen and buy-down US debt weakening the Dollar.

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)**	14%	94%	very bullish	62.2	**1.08**	**positive**	**improving**
2	88%	US Small-caps (S)	12%	**102%**	**very bullish**	53.7	**1.15**	**positive**	**improving**
3	81%	Lifetime 2060	11%	99%	very bullish	57.7	1.07	positive	improving
4	67%	US Large-caps (C)	10%	97%	very bullish	54.3	1.06	positive	deteriorating
5	66%	Lifetime 2050	9%	98%	very bullish	57.7	0.90	positive	improving
6	58%	Lifetime 2040	8%	99%	very bullish	58.0	0.81	positive	improving
7	45%	Lifetime 2030	6%	98%	very bullish	58.6	0.65	positive	improving
8	24%	Long-term Inc (L)	3%	97%	very bullish	60.9	0.42	positive	improving
9	3%	Short-term Inc (G)	1%	101%	very bullish	100.0	0.18	positive	improving
10	-15%	Fixed Income (F)	-2%	17%	very bearish	47.4	-0.08	negative	improving

TSP Lifetime & Index Funds: Performance Progression

Fund S leads 13 and 26 weeks (key model metrics). Fund I leads YTD and over 39 and 52 weeks and over 3Y. European and Japanese rate hikes in June put Fund I performance at risk and generated a stop-loss. Fund I, however, still leads over 39 and 52 weeks and is currently benefitting from US programs to support the Yen and buy-down US debt weakening the Dollar.

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**International Fund (I)**	-0.1%	1.3%	4.5%	9.7%	**24.9%**	**28.5%**	**19.5%**	**50.0%**
2	**US Small-caps (S)**	-2.0%	1.3%	**7.2%**	**12.4%**	19.1%	21.2%	18.1%	44.0%
3	Lifetime 2060	-1.0%	0.8%	4.5%	10.6%	18.9%	23.1%	15.8%	44.3%
4	Lifetime 2050	-0.8%	0.7%	3.9%	9.0%	16.0%	19.5%	13.3%	37.5%
5	US Large-caps (C)	-1.4%	0.4%	3.9%	10.9%	15.1%	20.1%	12.9%	40.5%
6	Lifetime 2040	-0.7%	0.6%	3.5%	8.2%	14.4%	17.6%	12.0%	33.8%
7	Lifetime 2030	-0.5%	0.5%	3.0%	6.8%	11.9%	14.7%	9.8%	28.8%
8	Long-term Inc (L)	-0.2%	0.3%	2.1%	4.6%	7.6%	9.4%	6.3%	18.0%
9	Short-term Inc (G)	0.1%	0.1%	1.3%	2.4%	3.5%	4.4%	2.8%	9.1%
10	Fixed Income (F)	-0.1%	-0.1%	-0.5%	-0.7%	0.2%	2.1%	-0.2%	4.8%

****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	**15.8%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	13.3%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	12.0%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	11.5%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	9.8%	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

TREASURY DOUBLES SIZE OF ITS BUYBACKS

This week (August 19, 2026), US Treasury Secretary Scott Bessent, announced the department would at least double the size of its buybacks of longer-dated Treasury securities (maturities of 10 years or more) from a $2 billion maximum per operation to at least $4 billion per operation. The expanded operations are scheduled to run from September 9 through November 4, 2026, with an update possible at the next quarterly refunding. Bessent later indicated the size could exceed $4 billion depending on market conditions.

Context and Rationale

Long-term Treasury yields had surged sharply earlier in the week. The 30-year yield hit multi-year (roughly 19-year) highs around 5.33–5.34%, levels not seen since before the 2008 financial crisis, amid concerns over the U.S. national debt crossing $40 trillion, large budget deficits, inflation risks (including from oil prices), and heavy refinancing needs for older low-rate debt.

The Treasury framed the move primarily as liquidity support—improving market functioning in the longer-dated sector where it said it routinely receives strong offers from investors. In practice, buying back existing bonds increases demand, which supports bond prices and thereby lowers yields (interest rates move inversely to prices). This was widely viewed as an effort to ease pressure on long-term borrowing costs for the government, businesses, and consumers.

Immediate Market Impact

- Wednesday (announcement day): Yields dropped sharply. The 30-year yield fell roughly 9–10 basis points (to around 5.18–5.20%), and the 10-year also declined. Stock futures rose.
- Thursday–Friday: The relief largely reversed. Yields rebounded as investors remained focused on underlying fiscal and inflation concerns. By Friday, the 30-year yield was around 5.23–5.28% and the 10-year around 4.69–4.74%, near or above pre-announcement levels. Analysts described the effect as short-lived—a “circuit breaker” or temporary boost rather than a lasting trend change.

Broader Impacts

- Government borrowing costs: Higher long-term yields raise the cost of servicing and refinancing the large U.S. debt (including ~$8.5 trillion in fixed-rate debt maturing 2026–2028 that may refinance at substantially higher rates). The buybacks aim to mitigate this temporarily but do not reduce the overall debt or deficits; they essentially reshuffle existing debt (buying older bonds while continuing to issue new ones).
- Mortgages, consumer, and corporate loans: The 10-year yield is a key benchmark for 30-year mortgage rates, auto loans, and other longer-term borrowing. Mortgage rates held relatively steady or dipped slightly in the immediate aftermath (e.g., ~6.65% average), but sustained higher yields would push borrowing costs up, affecting housing affordability and business investment.
- Markets and policy signals: The move signaled official concern about the long end of the yield curve and a willingness to intervene (Bessent referenced a “big toolkit”). It provided some near-term support for liquidity and discouraged aggressive short positions, but markets quickly refocused on fundamentals. Skepticism persists that buybacks alone can permanently lower yields without progress on deficits, inflation, or Fed policy. Some analysts noted potential limits to the Treasury’s capacity given debt-ceiling constraints and ongoing large issuance needs.
- Other effects: Brief weakening of the dollar after the announcement; limited lasting spillover to global bond markets beyond the initial reaction.

In short, the action was a targeted liquidity/demand-support measure that produced a temporary drop in long-term yields but did not resolve the deeper drivers of higher rates. By week’s end, yields had largely recovered, underscoring that sustained lower long-term rates would likely require improvements in the fiscal outlook, inflation trajectory, or other structural factors rather than buybacks alone.