MOOSECALLS

Global Financial News & Analysis
AUG.07.2026 through AUG.16.2026

EXECUTIVE SUMMARY: AUG.07.2026

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 (2)

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

GLOBAL RISK ON CONTINUES

Weaker than expected US payroll data, reinforced less hawkish messaging from the Fed, and improved risk appetite abroad due to lower oil prices and reduced demand for the greenback due to last week's US-Japan joint foreign exchange intervention to smooth out a "disorderly Yen". At the same time, the euro has strengthened after Eurozone inflation surprised to the upside, increasing expectations that the ECB may need to tighten monetary policy further. The latest pause in US-Iran fighting (and related hopes for de-escalation-by-diplomacy) cratered oil (-8.7%) and weighed on commodity (-1.8%) prices this week. Meanwhile, Gold (+7.2%) rallied on the weaker Dollar (-0.4%) anticipating possible rate cuts due to the currency intervention. US Long Bonds also rallied (+1.5%) alongside US equities with US small caps (+3.6%) leading large caps (+3.5%) higher. Offshore equities were mixed. Latin America (-2.3%), gave some back while Japan (+4.9%), Asia Pacific (+2.5%) and Europe (+2.0%) rallied as oil prices dipped below $80. Cash yield rose to 3.71% and the ten-year dipped to 4.66% flattening the yield curve to 95 bps. There were no changes to the models this week. (Stop-loss in US small caps never 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: Q2 productivity weaker than expected and unit labor costs cooler than inflation rate, WTI oil prices fell 8.7% this week and are now back below $80 per barrel, still down this quarter. Global inflation per the Fed Check (87) still warrants tightening, but it has improved assisted by rate hikes in Europe and Japan.

US ECONOMIC DATA: Job Growth Contracted in July, Manufacturing & Services Still Expanding, Construction disappoints. Q2 Productivity weak and unit labor costs cool. Recession chances a year out shrinking and minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q3) UP as of 7/29: 5.8%.

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 (87) is improving 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 report, odds are now better than 50-50 (56%) that rates will be unchanged at the next Fed meeting in September. By December, however, a Fed rate HIKE (77%) is the most likely outcome.

INVESTMENT STRATEGIES: There were no changes to the models this week. Confirmation of a 20-day stop-loss in US small caps didn't 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 3089 this week, up from 2732 last week and 4% higher 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 at 78.18 this week, down 18% 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 6.59 this week, and up 5% this quarter, a positive** signal.

Domestically, the 10Y US bond yield is at 4.66% this week, a 30 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.16.2026

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 that was not 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, before breaking higher.

The best regional alternative this week is IEV with the highest positive, improving PMO. It gave a buy-stop 7/31 and is rallying on lower oil prices since. Japan is also benefitting from last week's joint foreign exchange intervention with the US to smooth out "disorderly Yen movements" as the currency approached record lows. It was the first such joint intervention since the 1998 Asian crisis.

** 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)*	62%	bullish	51.9	-0.54	negative	improving
2	77%	Japan (EWJ)**	91%	very bullish	63.8	0.73	positive	improving
3	**75%**	**US Small-caps (IWM)****	**106%**	**very bullish**	59.7	**0.81**	**positive**	**improving**
4	75%	Latin America (ILF)**	79%	bullish	49.8	0.72	positive	improving
5	49%	**Europe (IEV)****	**107%**	**very bullish**	67.5	**1.23**	**positive**	**improving**
6	39%	US Large-caps (SPY)**	103%	very bullish	66.0	0.89	positive	improving
7	11%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
8	-33%	Gold Bullion (GLD)**	20%	bearish	65.3	-0.46	negative	improving
9	-37%	Very Long US Bonds (EDV)*	1%	very bearish	41.3	-1.23	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. Japan and Europe are showing life lately thanks to the US-Japan joint foreign exchange intervention. Among international equities in the Index model, Developed markets (EFA) are outperforming emerging (EEM).

YTD	FUND	08/07/26	07/31/26	13wk	26wk	39wk	52wk	3Y
22.5%	**US Small-caps (IWM)**	3.6%	0.0%	7.0%	**14.3%**	26.0%	38.4%	42.4%
21.9%	Asia Pacific ex-Japan (AAXJ)	2.5%	0.8%	1.2%	9.1%	24.6%	38.0%	69.8%
20.0%	**Japan (EWJ)**	**4.9%**	1.3%	**9.2%**	3.7%	**27.2%**	35.9%	54.6%
13.7%	Latin America (ILF)	-2.1%	2.1%	-3.6%	-5.6%	26.0%	**43.7%**	64.3%
13.4%	US Large-caps (SPY)	3.5%	1.1%	7.1%	12.4%	15.5%	22.8%	45.9%
10.5%	Europe (IEV)	2.0%	**2.4%**	8.2%	5.2%	21.4%	25.2%	49.5%
0.5%	Gold Bullion (GLD)	7.2%	-0.1%	-4.7%	-14.8%	10.0%	27.3%	**76.5%**
0.1%	Short US Income (SGOV)	0.1%	0.1%	1.0%	1.8%	2.8%	3.9%	8.8%
-7.2%	Very Long US Bonds (EDV)	1.5%	-2.3%	-3.5%	-6.5%	-9.2%	-3.7%	-13.5%

Global Economy through AUG.16.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

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

#1 Asia-Pacific ex-Japan Tests Resistance—
AAXJ rose 2.5% this week, after gaining 0.8% last week. That left it bullish and ranked 1 globally and more attractive than cash. The index is up 1.2% for the quarter (13 weeks), and up 38.0% for the year (52 weeks).

#2 US Small-Cap Stocks Touch new Highs—
IWM rose 3.6% this week, after gaining 0.0% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 7.0% for the quarter (13 weeks), and up 38.4% for the year (52 weeks).

#3 Japanese Stocks Rally After US Supports Yen—
EWJ rose 4.9% this week, after gaining 1.3% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 9.2% for the quarter (13 weeks), and up 35.9% for the year (52 weeks).

#4 Latin America's Advance Retrenches—
ILF fell 2.1% this week, after gaining 2.1% last week. That left it bullish and ranked 4 globally and more attractive than cash. The index is down 3.6% for the quarter (13 weeks), and up 43.7% for the year (52 weeks).

#5 European Large-Cap Stocks Continue to Soar—
IEV rose 2.0% this week, after gaining 2.4% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 8.2% for the quarter (13 weeks), and up 25.2% for the year (52 weeks).

#6 US Large-Cap Stocks Post New Highs—
SPY rose 3.5% this week, after gaining 1.1% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 7.1% for the quarter (13 weeks), and up 22.8% for the year (52 weeks).

#7 US Cash Yield Rises—
The three-month T-Bill yield is 3.71%, up 3 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 made. Meanwhile, the two-year Treasury is yielding 4.21%, a 50 basis-point premium to cash

#8 Gold Bullion Spikes Higher—
GLD rose 7.2% this week, after losing 0.1% last week. That left it bearish and ranked 8 globally and less attractive than cash. The index is down 4.7% for the quarter (13 weeks), and up 27.3% for the year (52 weeks).

#9 US Long Treasury Bonds Rally Off Lows—
EDV rose 1.5% this week, after losing 2.3% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 3.5% for the quarter (13 weeks) and down 3.7% for the year (52 weeks) as yields have risen.

Commodities Sink With Oil—
A neutral CRB fell 1.8% this week after losing 2.2% last week. That left commodity prices down 7.0% for the quarter (13 weeks), and up 32.8% for the year (52 weeks).

Crude Oil Below $80—
The broader oil complex (USO) fell 8.7% this week, following last week's loss of 5.5% and currently neutral. That leaves US oil prices down 19.8% for the quarter (13 weeks), and up 59.9% for the year (52 weeks).

US Dollar Weakens—
UUP fell 0.4% this week, after losing 1.4% last week. It is currently very bullish—up 2.1% for the quarter (13 weeks), and up 2.4% in the last year (52 weeks).

US ECONOMY: AUG.07.2026:

OVERALL: JOBS DOWN, MANUFACTURING UP

PRODUCTION: Manufacturing & Services Expanding

(-) WEEKLY EIA Crude Oil Inventories (+2.48M) build results as WTIC oil prices retreat to $78.
(-) JUN Industrial Production (+0.1%) in line with prior but below consensus.
(-) JUN Capacity Utilization (76.1) in line with previous but below expectations.
(+) JUL S&P Global U.S. Manufacturing PMI – (53.9) expanding, UP from previous.
(+) JUL S&P Global U.S. Services PMI – (54.6) 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: Disappointment

(+) 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.
(-) JUN Construction Spending (-0.1%) below prior and expectations.

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: PAYROLLS DATA WEAK

(+) Weekly initial Claims (199K) in line with previous, beating expectations.
(-) Weekly Continuing Claims (1801K) 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.
JOLTS Separations

CONSUMPTION: TRADE DEFICIT SHRINKS

(-) 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 (-$73.3) beat prior in line with consensus.
(+) JUN Federal Budget (-$120.3B) still in deficit but improved from May (-$292.6B).

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 5.8%

Atlanta Fed Current GDP Model (08/06/2026): Q3 Annualized 5.8% (Last week: Q3 Annualized +5.0%)

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

Federal Reserve: week of AUG.07.2026

Currently, the Fed's balance sheet is **6.75T, (UP +.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 56% that rates will be unchanged at the September meeting.

The Fed Check at **87%** turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at **4.21%,** however, is now 59 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 flattened to a slope of 95 bps** this week, as the 10-year US Treasury yield fell to **4.66%**, and the 3-month cash yield rose to **3.71%**. 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 (**4.19%**) 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 steady this week, while the 3-month T-bill at 3.71% is up 3 ticks. That puts the SOFR/T-Bill (SOF-T) spread at **-6** basis points, below its 200-day average of **+6** 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 Weakens

US Dollar: UUP fell 0.4% this week, after losing 1.4% last week. It is currently very bullish—up 2.1% for the quarter (13 weeks), and up 2.4% in the last year (52 weeks). At $28.07, 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 @ 39.4 is neither overbought nor oversold. As for other major currencies vs the Dollar, the Australian $ (FXA) is neutral, and up 0.9% this week. The British Pound (FXB) is bullish, and up 1.2% this week. The Canadian Dollar (FXC) is very bearish, and up 0.7%. The Euro Dollar (FXE) is bearish, and up 1.5%. The Swiss Franc (FXF) is very bearish, and up 1.3%. The Japanese Yen (FXY) is bullish, and up 2.9%.

The US dollar retreated for a second week, as weaker than expected US payroll data, reinforced 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 has 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 has 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 July CPI and PPI data will set the inflation tone. Cooler US growth, 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)	bullish	US$ Investors underperform hedged
Canadian Dollar (FXC)	very bearish	US$ Investors outperform hedged
Euro Dollar (FXE)	bearish	US$ investors outperform hedged (IEV<HEDJ)
Swiss Franc (FXF)	very bearish	US$ investors outperform hedged
Japanese Yen FXY)	bullish	US$ investors underperform hedged (EWJ<DXJ)
US Dollar	very bullish	

#9 LONG US TREASURIES Rally Off Lows

US Long Treasury Bonds: EDV rose 1.5% this week, after losing 2.3% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 3.5% for the quarter (13 weeks) and down 3.7% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield fell 8 ticks to 4.66%, and the 3-month yield rose 3 ticks, to 3.71% with the yield curve flattening to 95 basis points. That reduces the odds of a recession in late 2026. At US $60.35, 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 41.3 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.

Very long US Treasury bonds rose this week as weak ADP and Payroll jobs data lessened inflation concerns and reduced expectations that interest rates will remain elevated for longer. Oil and commodity prices came down, reducing the threat that inflation could remain above the Federal Reserve's target, and lead investors to demand higher long-term yields. Meanwhile, heavy issuance of Treasury securities to finance large federal deficits continues to increase the supply of long-dated bonds, putting additional upward pressure on yields. Although the Fed left interest rates unchanged last week, given generally resilient US economic data of late, the bank seemed to be leaning toward two rate hikes by year-end… until this week's jobs' reads. 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 have 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 Post New Highs

US Large-Cap Stocks: SPY rose 3.5% this week, after gaining 1.1% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 7.1% for the quarter (13 weeks), and up 22.8% for the year (52 weeks). At $773.26, SPY 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 66.0 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.

After three months of treading water US large-caps broke out this week. Strong corporate earnings and continued enthusiasm for artificial intelligence outweighed concerns about elevated interest rates. Many large-cap companies, particularly in the technology sector, have reported earnings that met or exceeded expectations, with AI-related investment continuing to support revenue growth and optimistic guidance. As for this week's none-too-resilient economic activity, re: Private and Nonfarm payrolls, the unexpected weakness mitigates against near-term rate hikes. GDP now data indicates 5.8% growth. Healthy consumer spending despite labor market woes help reduce recession concerns and support 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 have reflected confidence in corporate earnings and the resilience of the US economy. Added to that this week is the possibility 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%).

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#2 US SMALL-CAPs Touch New Highs

US Small-Cap Stocks: IWM rose 3.6% this week, after a flat performance (+0.0%) last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 7.0% for the quarter (13 weeks), and up 38.4% for the year (52 weeks). At $301.56, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 59.7 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 sidled up a new high this week as weakness in the job market lowered elevated interest rates. Economic data had been pointing to moderate but resilient growth, with healthy consumer spending, and steady business activity easing fears of an imminent recession. The jobs data changed that. Small-cap companies generate most of their revenues within the United States and suffer more amid an unfavorable domestic outlook. The 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. 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 confidence in the resilience of the US economy and the potential for continued earnings growth along with the notion that a near term rate hike is off the boards for now..

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 (L81%) with **BUYS up at 48%** (L44%) and **HOLDS down to 33% (**L37%). **Avoids are steady at 19%** (L19%). **Top performers this week:** Gold Miners, Semiconductors, Software, Internet, Home Construction, Technology, Biotech, Defense. **Week's Worst:** Oil & Gas Production, Utilities, *(Performance *working off a stop-loss, **working off a buy-stop.)*

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	58%	66%	bullish	52.9	-0.69	negative	improving
57%	Oil/Gas Expl & Prod (XOP)	31%	62%	bullish	47.7	1.40	positive	deteriorating
51%	US Oil Equip & Serv (IEZ)	33%	45%	neutral	53.4	-0.57	negative	improving
37%	US Pharmaceuticals (IHE)	18%	108%	very bullish	58.4	2.24	positive	deteriorating
33%	US Technology (IYW)	24%	100%	very bullish	60.3	0.80	positive	improving
29%	US Health Providers (IHF)	16%	102%	very bullish	56.2	1.90	positive	deteriorating
28%	Industrials (XLI)	17%	107%	very bullish	58.7	1.01	positive	improving
27%	Transports (IYT)	14%	95%	very bullish	52.4	0.69	positive	deteriorating
24%	Select Materials (XLB)	13%	91%	very bullish	59.8	0.57	positive	improving
23%	KB Banks (KBE)	11%	106%	very bullish	54.7	1.76	positive	deteriorating
23%	US Aerospace & Def (PPA)	14%	100%	very bullish	64.0	1.28	positive	improving
17%	Biotechnology (IBB)	10%	99%	very bullish	66.4	1.95	positive	deteriorating
17%	REITs (VNQ)	9%	91%	very bullish	48.2	0.67	positive	deteriorating
15%	**S&P 500 (SPY)**	**11%**	**103%**	**very bullish**	**66.0**	**0.89**	**positive**	**improving**
14%	KBW Insurance (IAK)	6%	104%	very bullish	56.2	2.24	positive	deteriorating
12%	Consumer Staples (XLP)	6%	96%	very bullish	51.4	0.50	positive	improving
9%	Capital Markets (KCE)	7%	108%	very bullish	60.5	2.00	positive	improving
9%	Food & Beverage (PBJ)	2%	36%	bearish	43.7	-0.11	negative	deteriorating
5%	Utilities (XLU)	1%	19%	very bearish	35.9	-0.60	negative	deteriorating
3%	Retail (XRT)	2%	95%	very bullish	55.9	1.67	positive	improving
-4%	Home Construction (XHB)	2%	71%	bullish	56.0	0.47	positive	improving
-4%	DJ Internet Index (FDN)	4%	102%	very bullish	67.0	1.53	positive	improving
-6%	Bitcoin (BLOK)	1%	29%	bearish	46.7	-0.90	negative	improving
-6%	**CASH**	**-3%**	**4%**	**very bearish**	**49.8**	**-0.06**	**negative**	**improving**
-10%	Telecommunications (FCOM)	-4%	25%	bearish	51.7	-0.37	negative	improving
-15%	Media Portfolio (XLC)	-6%	18%	very bearish	53.8	-0.20	negative	improving
-15%	Software (XSW)	-1%	110%	very bullish	70.0	3.55	positive	improving
-22%	Gold Miners (GDX)	-8%	27%	bearish	70.4	0.55	positive	improving
-36%	US Medical Devices (IHI)	-15%	63%	bullish	64.1	2.03	positive	improving

US Sector Top Performers: YTD (8/7/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
61.8%	**Semiconductors (SMH)**	**7.8%**	-3.7%	4.1%	15.0%	**39.6%**	**60.7%**	**104.1%**	**154.6%**
34.6%	US Oil Equip & Serv (IEZ)	1.3%	-1.1%	0.2%	-12.6%	10.0%	37.2%	61.3%	27.0%
31.8%	Oil/Gas Expl & Prod (XOP)	-6.2%	**1.9%**	-4.3%	-6.6%	19.7%	33.2%	36.4%	21.7%
27.2%	US Technology (IYW)	6.7%	0.8%	**7.6%**	16.5%	25.9%	22.3%	39.9%	79.8%
20.8%	US Pharmaceuticals (IHE)	0.8%	-0.7%	0.1%	17.3%	19.1%	37.7%	56.2%	53.5%
19.4%	Industrials (XLI)	3.0%	-1.5%	1.4%	6.1%	11.6%	20.1%	23.6%	51.0%
19.0%	US Health Providers (IHF)	1.2%	-0.2%	1.0%	**18.4%**	25.0%	17.9%	39.3%	3.1%
17.3%	US Aerospace & Def (PPA)	5.4%	-0.5%	4.9%	9.8%	4.6%	17.0%	25.1%	71.7%
17.1%	Biotechnology (IBB)	6.1%	-0.9%	5.1%	17.2%	13.5%	25.8%	50.7%	35.0%
17.1%	Transports (IYT)	2.8%	-3.6%	-0.8%	7.9%	13.5%	23.0%	28.1%	38.4%

INTERNATIONAL MARKETS:
#8 GOLD Spikes 7% Higher

Gold Bullion: GLD rose 7.2% this week, after losing 0.1% last week. That left it bearish and ranked 8 globally and less attractive than cash. The index is down 4.7% for the quarter (13 weeks), and up 27.3% for the year (52 weeks). At $398.47, GLD is above 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 65.3 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 bounced along until this week when an unexpectedly negative July jobs report decreased near term chances of a rate hike and spiked gold 7%. Next week's CPI and PPI inflation data will further clarify the likelihood of a near term Fed rate hike. Unfortunately, gold is looking for rate cuts and that likelihood is still non-existent. Futures are 56% sure rates will be unchanged at the next meeting September and 79% sure of a hike or two 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 Sink With Oil

Commodities A neutral CRB fell 1.8% this week after losing 2.2% last week. That left commodity prices down 7.0% for the quarter (13 weeks), and up 32.8% for the year (52 weeks). At $28.91, the CRB is above its short-term (50-day) average and its medium-term (200-day) average at $100.48. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 51.3 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) fell 8.7% this week, following last week's loss of 5.5% and currently neutral. That leaves US oil prices down 19.8% for the quarter (13 weeks), and up 59.9% for the year (52 weeks). At $117.98, USO 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 46.2 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 $78 this week, pushing commodities lower A temporary pause in US-Iran fighting (and related hopes for de-escalation/diplomacy that might ease shipping disruptions through the Strait of Hormuz) reduced the geopolitical risk premium. Prices popped a bit after weak jobs lowered interest rates.

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INTERNATIONAL EQUITIES:
#5 EUROPE Continues to Soar

European Large-Cap Stocks: IEV rose 2.0% this week, after gaining 2.4% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 8.2% for the quarter (13 weeks), and up 25.2% for the year (52 weeks). At $75.81, 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 67.5 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 pushed to a new high to start Q3 and another this week. 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 $78 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: An improving Euro vs. Dollar keeps Europe (IEV +7) in line with Europe's hedged version (HEDJ +7) and weaker than the US market (VTI +13). Italy (EWI +16), Spain (EWP +13), and Netherlands (EWN +13) are matching or outperforming the US. Ireland (EIRL +11), Britain (EWU +5), France (EWQ +5), Switzerland (EWL +4), Germany (EWG +3), and Denmark (EDEN+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 Rallies As US Supports Yen

Japanese Stocks: EWJ rose 4.9% this week, after gaining 1.3% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 9.2% for the quarter (13 weeks), and up 35.9% for the year (52 weeks). At $96.90, EWJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 63.8 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.

Japanese equities jumped close to 5% this week, extending last week's run past its 50--day. The yen's sharp volatility was a major factor: coordinated U.S.-Japan intervention helped stabilize the currency after its recent slide, reducing some pressure on import costs but raising uncertainty over whether further intervention or a Bank of Japan rate hike will follow. Japanese shares also benefited from the global equity rally, particularly strength in US. technology stocks and strong corporate earnings, which supported Japan's large technology and semiconductor-related companies. At the same time, higher Japanese bond yields and persistent currency concerns limited enthusiasm. Domestic economic data, including wage and household-spending figures, remained important for assessing consumer strength and the BOJ's policy outlook. Overall, strong global risk appetite and earnings were supportive, while yen volatility, rising yields and BOJ tightening expectations created countervailing pressure. NOTE: For Dollar investors the hedged version of Japanese equities (DXJ @14) is preferable to both the US (VTI @13) and the dollar version of Japanese equities we track (EWJ @13).

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 Tests Resistance

Asia-Pacific ex-Japan: AAXJ rose 2.5% this week, after gaining 0.8% last week. That left it bullish and ranked 1 globally and more attractive than cash. The index is up 1.2% for the quarter (13 weeks), and up 38.0% for the year (52 weeks). At $113.53, AAXJ is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 51.9 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 solid gains this week with AAXJ ending higher. A generally favorable global risk environment, softer US bond yields and continued strength in corporate earnings supported Asia ex-Japan equities as Technology and semiconductor shares remained important drivers, particularly in Taiwan and South Korea, Concerns about elevated AI valuations encouraged some profit-taking. India benefited from renewed foreign-investor interest as capital began rotating from more heavily AI-exposed Asian markets toward domestic-oriented Indian equities. China remained 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 was another source of uncertainty, particularly for export-oriented economies facing changing U.S. 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.

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's Advance Retrenches

Latin America 40: ILF fell 2.1% this week, after gaining 2.1% last week. That left it bullish and ranked 4 globally and more attractive than cash. The index is down 3.6% for the quarter (13 weeks), and up 43.7% for the year (52 weeks). At $34.62, 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 49.8 means ILF is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

ILF's rally above its 50-day lost steam this week, as the bullish US dollar lost ground. Oil and commodity prices fell as did Brazilian stocks, but Mexico and Colombia 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 as Latin equities have retreated. (ILF +1) is no longer outperforming its US cousin (VTI +13 in Price-Performance vs cash. Colombia (COLO +16) is the only equity market outperforming the US. Mexico (EWW +1), Argentina (ARGT +0) Brazil (EWZ -5), and Chile (ECH -9) are all lagging the US. Canada (EWC +12) 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: 2nd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds UP and Gold UP

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

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
34%	**(AOA) Aggressive Growth**	**9%**	**95%**	**very bullish**	64.5	**0.46**	**positive**	**improving**
9%	(AOM) Moderate Growth & Inc	3%	78%	bullish	61.4	0.10	positive	improving

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
11.0%	**(AOA) Aggressive Growth**	**2.7%**	**1.0%**	**5.0%**	**7.9%**	**12.7%**	**20.2%**	**38.4%**
4.6%	(AOM) Moderate Growth & Inc	1.7%	0.5%	2.1%	3.3%	6.1%	10.7%	21.7%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.8%	**(AOA) Aggressive Growth**	94.88	99.39	99.63	99.63	83.32	97.16	92.17
99.7%	(AOM) Moderate Growth & Inc	48.63	49.93	49.98	50.10	45.82	49.46	48.19

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**22.2%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	11.0%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.6%	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	**13.4%**	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	10.8%	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: 2nd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds UP and Gold UP

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 not on a sell signal. It also leads in positive PMO. Technical strength is very bullish. IWM has also triggered a stop-loss but it was unconfirmed— (PMO remained positive, 50-day kept rising, closing price above 50-day in 5 of last 7 days and above initial stop-loss seven of seven days and eventually broke higher.

Best Alternative: Large-cap High Dividend (SPYD) has strong technicals and a positive but deteriorating PMO. With MTUM on a stop-loss, it is the strongest alternative to IWM.

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.

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

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	US Momentum (MTUM)*	21%	80%	very bullish	50	-0.46	negative	improving
2	**80%**	**US Small-Caps (IWM)****	**17%**	**106%**	**very bullish**	60	0.80	**positive**	**improving**
3	72%	US High Dividend (SPYD)**	14%	102%	very bullish	57	**1.21**	positive	deteriorating
4	54%	S&P Equal Weight (RSP)**	12%	**107%**	very bullish	65	1.18	positive	improving
5	43%	US Value (IUSV)**	9%	105%	very bullish	100	0.15	positive	improving
6	43%	US Fundamentals (QUAL)**	11%	**107%**	very bullish	69	1.11	positive	improving
7	42%	US Growth (IUSG)**	13%	99%	very bullish	64	0.84	positive	improving
8	41%	US Large-caps (SPY)**	11%	103%	very bullish	66	0.89	positive	improving
9	31%	US Low Volatility (SPLV)**	5%	94%	very bullish	51	0.78	positive	deteriorating
10	12%	Cash (SGOV)	2%	88%	very bullish	100	0.15	positive	improving

NOTE: All of the strategies in this model are derivative of and highly correlated to the S&P. When SPY's TS and/or CI is bearish, when it hits a stop-loss, is overbought, or gives some other sell signal, adopting any sub-strategy that is highly correlated to it is not recommended. To initiate a switch both SPY and the strategy ETF must have TS>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	**24%**	**US Momentum (MTUM)**	3.2%	-2.2%	9.1%	**18.7%**	22.6%	27.7%	**69.6%**
2	23%	US Small-Caps (IWM)	3.6%	0.0%	8.8%	15.0%	**24.1%**	**38.3%**	42.4%
3	16%	US Growth (IUSG)	**5.1%**	1.7%	**9.5%**	14.1%	15.2%	25.2%	59.0%
4	15%	US High Dividend (SPYD)	0.8%	-0.5%	6.1%	12.3%	20.0%	19.8%	24.8%
5	15%	S&P Equal Weight (RSP)	2.4%	0.7%	8.2%	11.3%	18.3%	21.9%	33.5%
6	14%	US Fundamentals (QUAL)	2.9%	1.2%	9.1%	10.7%	15.5%	22.9%	35.6%
7	13%	US Large-caps (SPY)	3.5%	1.1%	7.9%	12.0%	14.7%	23.6%	45.8%
8	11%	US Value (IUSV)	1.8%	0.1%	5.9%	9.7%	15.0%	22.3%	29.7%
9	7%	US Low Volatility (SPLV)	0.0%	-1.2%	2.5%	5.1%	9.0%	6.1%	16.0%
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: 2nd Risk-ON week after two Risk-OFF weeks.
US Stocks UP Foreign Stocks MIXED, Bonds UP and Gold UP

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 this week is Developed Markets (EFA) followed by **US large caps (SPY).**

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	88%	Emerging Markets (EEM)*	62%	bullish	52.6	-0.46	negative	improving
2	**75%**	**US Small-caps (IWM)****	**106%**	**very bullish**	**59.7**	**0.81**	**positive**	**improving**
3	49%	Developed Markets (EFA)**	**107%**	very bullish	67.6	**1.13**	positive	improving
4	39%	US Large-caps (SPY)**	103%	very bullish	66.0	0.89	positive	improving
5	11%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
6	-33%	Gold Bullion (GLD)**	20%	bearish	65.3	-0.46	negative	improving
7	-37%	Very Long US Bonds (EDV)*	1%	very bearish	41.3	-1.23	negative	deteriorating

Performance-wise, IWM holds year-to-date honors this week. and over 26, 39, 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	08/07/26	07/31/26	13wk	26wk	39wk	52wk
1	**22.5%**	**US Small-caps (IWM)**	3.6%	0.0%	7.0%	**14.3%**	**26.0%**	**38.4%**
2	20.0%	Emerging Markets (EEM)	2.4%	1.2%	0.9%	7.2%	22.7%	35.7%
3	13.4%	US Large-caps (SPY)	3.5%	1.1%	7.1%	12.4%	15.5%	22.8%
4	13.0%	Developed Markets (EFA)	2.8%	**2.1%**	**8.1%**	5.9%	19.5%	25.1%
5	0.5%	Gold Bullion (GLD)	**7.2%**	-0.1%	-4.7%	-14.8%	10.0%	27.3%
6	0.1%	Short US Income (SGOV)	0.1%	0.1%	1.0%	1.8%	2.8%	3.9%
7	-7.2%	Very Long US Bonds (EDV)	1.5%	-2.3%	-3.5%	-6.5%	-9.2%	-3.7%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**22.2%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	11.0%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.6%	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.)

After #1 Fund I (International) triggered a (*) stop-loss 7/2/26, putting #2 Fund S (Small-caps) into the top spot. S leads in overall confidence among assets still working off a buy-stop. It also leads in positive, improving PMO. Technical strength is very bullish. NOTE: Fund S recently triggered a stop-loss as yet unconfirmed— (PMO remained positive, 50-day SMA 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)*	16%	95%	very bullish	60.9	0.51	positive	improving
2	**75%**	**US Small-caps (S)**	13%	102%	**very bullish**	62.4	**0.78**	**positive**	**improving**
3	73%	Lifetime 2060	13%	101%	very bullish	64.6	0.74	positive	improving
4	60%	Lifetime 2050	11%	100%	very bullish	64.6	0.62	positive	improving
5	56%	US Large-caps (C)	11%	103%	very bullish	66.5	0.89	positive	improving
6	53%	Lifetime 2040	9%	100%	very bullish	64.8	0.56	positive	improving
7	42%	Lifetime 2030	7%	100%	very bullish	65.2	0.47	positive	improving
8	22%	Long-term Inc (L)	4%	103%	very bullish	66.8	0.32	positive	improving
9	3%	Short-term Inc (G)	0%	101%	very bullish	100.0	0.18	positive	deteriorating
10	-16%	Fixed Income (F)	-2%	36%	bearish	50.7	-0.13	negative	improving

TSP Lifetime & Index Funds: Performance Progression

Fund S leads YTD and over 13 and 26 weeks. Fund I had led until European and Japanese rate hikes in June put its performance at risk and generated a stop-loss. Fund I, however, still leads over 39 and 52 weeks.

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**US Small-caps (S)**	**4.7%**	0.0%	**9.7%**	**13.4%**	16.7%	27.2%	**18.9%**	52.5%
2	International Fund (I)	2.4%	1.8%	6.9%	11.5%	**22.0%**	**29.9%**	18.1%	**59.3%**
3	Lifetime 2060	3.3%	1.2%	8.0%	12.2%	17.7%	25.8%	16.0%	54.4%
4	US Large-caps (C)	3.6%	1.1%	8.5%	12.3%	15.3%	22.8%	14.1%	51.7%
5	Lifetime 2050	2.8%	1.0%	6.7%	10.3%	15.0%	21.8%	13.5%	45.5%
6	Lifetime 2040	2.4%	0.8%	6.1%	9.3%	13.5%	19.6%	12.1%	40.7%
7	Lifetime 2030	1.9%	0.7%	4.9%	7.6%	11.2%	16.2%	9.9%	34.3%
8	Long-term Inc (L)	1.0%	0.4%	3.1%	5.0%	7.2%	10.1%	6.3%	20.5%
9	Short-term Inc (G)	0.1%	0.1%	1.3%	2.3%	3.5%	4.4%	2.7%	9.0%
10	Fixed Income (F)	0.6%	-0.1%	-0.5%	-0.3%	-0.2%	2.7%	0.1%	5.9%

***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	**16.0%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	13.5%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
TSP Moose	12.2%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2040	12.1%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	9.9%	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 JOBS AND THE MARKETS

The most recent US jobs report (BLS Employment Situation for July 2026, released August 7, 2026) showed an unexpectedly weak labor market, with nonfarm payrolls declining and prior months revised lower, while the unemployment rate edged down mainly due to people leaving the labor force.
Key headline figures

- Nonfarm payroll employment fell by 23,000 (seasonally adjusted). This followed an average monthly gain of about 34,000 over the prior 12 months and came in well below economists' expectations of roughly +80,000.
- May and June were revised down sharply by a combined 103,000 jobs (May revised from +129,000 to +63,000; June from +57,000 to +20,000). This left the three-month average near just +20,000.
- Unemployment rate declined to 4.1% from 4.2%, with the number of unemployed at 6.9 million (little changed overall). The drop largely reflected people exiting the labor force rather than strong hiring.
- Labor force participation rate fell to 61.4% (near a multi-year low), and the employment-population ratio edged down to 58.9%. The labor force itself declined by about 264,000.

Sector details

- Losses were concentrated in local government education (−50,000) and retail trade (−19,000, including warehouse clubs/supercenters and gasoline stations). Leisure and hospitality also declined (−40,000), and financial activities continued trending lower (−14,000; down 121,000 since a May 2025 peak). Government overall fell by 53,000.
- Gains continued in health care (+22,000, though below the prior 12-month average of +36,000, mostly in ambulatory services) and construction (+22,000). Private payrolls rose by 30,000. Most other major industries showed little change.

Wages and hours

- Average hourly earnings for all private nonfarm employees rose only 2 cents to $37.62 (essentially flat month-over-month) and were up 3.2% over the year—a slower pace than recent months.
- The average workweek held steady at 34.3 hours.

Broader context and market reaction

The report pointed to a softer labor market than earlier strength had suggested, with downward revisions reinforcing that hiring had been overstated. Declining participation and slower wage growth raised questions about economic momentum and the Federal Reserve's policy path (markets had been pricing potential rate hikes). Some sector weakness (e.g., leisure/hospitality) may partly reflect temporary factors such as the end of World Cup-related activity, and the large local-government education drop may not fully repeat. Overall, it was described across major outlets as a downbeat or unexpectedly soft report.

These figures are preliminary and subject to further revision. The next report (August data) is scheduled for September 4, 2026. Summary prepared by Grok AI, edited by a human.