

# **MOOSECALLS**

Global Financial News & Analysis  
JAN.09.2026 through JAN.16.2026

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## EXECUTIVE SUMMARY: JAN.09.2026

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

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

**THIS was the 1<sup>st</sup> Risk-ON week after one MIXED-Risk week. Foreign Stocks UP, US Stocks UP, US Bonds UP, Gold UP.**

## BUYING INTO 2026

After using the last week of 2025 to take profits, investors went whole hog into the future in 2026. In the first full week of trading, they bought just about every asset class that they could lay hands on. US small caps (+4.6%) led everything higher, followed by Gold (4.1%). Japan (+4.0%) and Latin America (+3.3%) led foreign equities, followed by Asia-Pacific (+1.6%) and Europe (+1.2%). US large caps (+1.6%) came out of window-dressing up, but muted. On the defensive side, long-duration US Treasuries (+1.6%) held 200-day support as both long and short yields rose. Commodities (+2.3%) rose again, as did oil prices (+2.6%). No model changes.

**GLOBAL OUTLOOK REMAINS NEUTRAL (2 of 4).** The Baltic Dry Index is higher in the past quarter (13 weeks), as are copper prices. Oil and US bond yields are down.

**INFLATION:** No scheduled data this week. Commodity and oil prices were up this week. Q3 **Productivity-Prel** (+4.9%) improved from previous more than expected. Q3 **Unit Labor Costs-Prel** (-1.9%) unexpectedly declined.

**US ECONOMIC DATA:** January Consumer Sentiment Up, Unemployment Rate Down

**FEDERAL RESERVE:** The Fed's balance sheet stands at \$6.57 trillion, with the Fed Funds Rate cut to 3.50-3.75%. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >60-40) is expected June 17 (73%).

**INVESTMENT STRATEGIES:** The Index Model is outperforming all competitors in 2025. It remains in gold (GLD) after switching from EFA via buy-stop on August 28. It has recently endured a 10% correction but has not triggered a stop-loss. US stocks did trigger buy-stops last week pushing the US Equity Strategy (USES) Model into US Growth. Similarly, all Thrift Savings Plan (TSP) assets with an equity component have triggered the same stop, putting the model in large-cap stocks (Fund C) as well.

## GLOBAL OUTLOOK: NEUTRAL (2 of 4)

**Global Economic Indicators: Indications are currently neutral** for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index fell to 1688 this week, and is lower after 13 weeks, a negative signal.** (After opening 2023 at 1515, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price at 58.78 rose this week, but is lower for the latest quarter, a negative** signal. (Oil remains below its 2022 peak @\$130, but well above its 2020 Covid lows @\$10.)

Our proxy for global construction, **copper (5.90) rose this week, and remains higher this quarter, a positive** signal.

Domestically, **10Y US bond yields rose 1 tick to 4.19% this week and are up over the past 13 weeks, a positive** bet on the largest world economy.

## IMF World Economic Outlook (OCT 2025) —

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

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

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

## GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose  
ETF Rankings  
through  
JAN.16.2026

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

	CI%	FUND	TS+	READ	RSI	PMO	condition
1	100%	Gold Bullion (GLD)	114%	very bullish	64.4	2.37	deteriorating
2	85%	Latin America (ILF)	117%	very bullish	69.0	2.54	improving
3	72%	Asia Pacific ex-Japan (AAXJ)	113%	very bullish	74.1	1.88	improving
4	69%	US Small-caps (IWM)	108%	very bullish	66.1	1.34	improving
5	69%	Japan (EWJ)	112%	very bullish	77.8	2.27	improving
6	57%	US Large-caps (SPY)	106%	very bullish	62.9	0.82	improving
7	46%	Europe (IEV)	109%	very bullish	71.3	1.98	improving
8	7%	Very Long US Bonds (EDV)	33%	bearish	50.3	-0.75	improving
9	0%	Short US Income (SGOV)	100%	very bullish	79.6	0.06	improving
		Ryan/CRB Indicator	0.99	no change			
		Volatility Index	6%	very bullish	47	neg	-deteriorating
		US Dollar (UUP)	12%	bearish	41	neg	-deteriorating
		Commodities (DBC)	56%	neutral	61	neg	-deteriorating
		US Oil (USO)	16%	very bearish	45	neg	improving

## GLOBAL RANKING: TECHNICAL OVERVIEW

### #1 GOLD Fills Its Downside Gaps--

GLD rose 4.1% this week, following last week's -4.4% loss, leaving it ranked #1 globally and more attractive than cash. Most recently, GLD is up 13.2% for the quarter (13 weeks) and up 67.0% for the year (52 weeks) and very bullish.

**#2 LATIN AMERICA Persists--** ILF rose 3.3% this week, following last week's 1.0% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 20.0% for the quarter (13 weeks) and up 64.5% for the year (52 weeks) and very bullish,

### #3 US SMALL-CAPS Get January Surge--

IWM rose 4.6% this week, following last week's -1.1% loss, leaving it ranked #3 globally and more attractive than cash. The index is up 7.0% for the quarter (13 weeks) and up 21.1% for the year (52 weeks) and very bullish.

### #4 Overbought ASIA-PACIFIC Maintains Gap--

AAXJ rose 1.6% this week, following last week's 3.0% gain, leaving it ranked #4 globally and more attractive than cash. The index is up 7.6% for the quarter (13 weeks) and up 44.7% for the year (52 weeks) and very bullish,

### #5 JAPAN Gaps to Overbought--

EWJ rose 4.0% this week, following last week's 0.4% gain, leaving it ranked #5 globally and more attractive than cash. Most recently, Japan is up 11.6% for the quarter (13 weeks) and up 44.4% for the year (52 weeks) and very bullish.

### #6 US LARGE-CAPS Notch New High--

SPY rose 1.6% this week, following last week's -1.0% loss, leaving it ranked #6 globally and more attractive than cash. The index is up 4.4% for the quarter (13 weeks) and up 21.5% for the year (52 weeks) and very bullish. US equity sector momentum is positive, and breath stays broad and steady-- 89% of our sectors are buy or hold (L89%). **"Buys"** include Gold Miners, Semiconductors, Biotech, Bitcoin, and Technology. **"Avoids"** include REITs, Healthcare Providers, Consumer Staples, Food & Beverage.

### #7 EUROPE: Break Out Continues--

IEV rose 1.2% this week, following last week's 0.6% gain, leaving it ranked #7 globally and more attractive than cash. Most recently, Europe is up 8.7% for the quarter (13 weeks) and up 40.9% for the year (52 weeks) and very bullish,

### #8 BONDS Hold Support At 200-day--

EDV rose 1.6% this week, following last week's -1.3% loss, leaving it ranked #8 globally and more attractive than cash. Long bonds are down 1.6% for the quarter (13 weeks) but up 2.1% for the year (52 weeks) as yields have fallen.

### #9 Cash & Income Yields UP--

The US Treasury 10-year yield finished the week down 2 ticks at 4.17%, and the 3-month yield was down 11 at 3.51%, leaving the yield curve slightly flatter but still positively sloped at 66 basis points.

### COMMODITY Prices Rise--

A neutral CRB rose 2.3% this week after last week's -1.4% loss. That left commodity prices up 2.5% for the quarter (13 weeks) and up 5.9% for the year (52 weeks). Meanwhile, oil prices (USO) rose 2.6% this week, following last week's 0.7% gain, and are currently bearish. That leaves US oil prices down -1.1% for the quarter (13 weeks) but up 9.5% for the year (52 weeks).

### DOLLAR Strength Greets New Year--

UUP rose 0.8% this week, following last week's 0.5% gain. It is currently bearish — down -0.8% for the quarter (13 weeks), but up 7.4% in the last year (52 weeks).

## US ECONOMY: GOV'T DATA

### January Consumer Sentiment Up, Unemployment Rate Down

US Economy:  
week of  
JAN.09.2026

**THIS WEEK: Mixed**

**THE GOOD:** Weekly EIA Crude Oil Inventories build (1.93M) turns to draw (-3.83M) as oil prices rose. JAN Univ. of Michigan Consumer Sentiment – Prelim (54.0) beat forecast and previous. DEC Unemployment Rate (4.4%) down from previous unexpectedly. DEC S&P Global U.S. Services PMI – Final (52.5) expanding albeit at a slowing rate. DEC ADP Employment Change (41K) improved from prior loss (-29K) but below consensus. DEC ISM Non-Manufacturing Index (54.4%) expansionary and improving. DEC Average Hourly Earnings (+0.3%) better than forecasts and prior. OCT Building Permits (1412K) beat consensus, in line with prior. SEP Housing Starts (1306K) improved but below consensus. SEP Building Permits (1415K) above forecasts and prior.

**THE BAD:** Weekly Initial Claims (208K) up from previous but below consensus. Weekly Continuing Claims (1914K) up from previous. DEC ISM Manufacturing Index (47.9%) contracting and deteriorating. DEC Nonfarm Payrolls (50K) below forecast and prior. DEC Average Workweek (34.2) below consensus and prior. NOV JOLTS - Job Openings (7.146M) down from prior. OCT Housing Starts (1246K) below forecasts and prior.

**THE UGLY:** Nothing

## US ECONOMY: INFLATION DATA

### Q3 Productivity Jumps, Labor Costs Fall

US Inflation:  
week of  
JAN.09.2026

NOV CPI (0.2%) cooler than consensus. (1Yr: 3.0%)  
NOV Core CPI (0.2%) cooler than consensus. (1Yr: 3.0%)  
Q3 GDP-Adv (+4.3%) up from Q2 (+3.8%).  
Q3 GDP Deflator-Adv. (+3.8%) hotter than Q2 (+2.1)  
Q3 Employment Cost Index (+0.8%) up in line with expectations.  
**Q3 Productivity-Prel (+4.9%) improved from previous more than expected.**

**Q3 Unit Labor Costs-Prel (-1.9%) unexpectedly declined.**  
Q2 Current Account Balance: (-\$251.3B) below forecasts and prior.

SEP PPI (+0.3%) up inline. (1yr: 2.7%)  
SEP Core PPI (+0.1%) COOL (1yr: 2.6%)  
SEP PCE Prices (0.3%) in line. (1yr 2.7%)  
SEP Core PCE Prices (0.2%) cooler. 1yr 2.9%)  
SEP Import Prices (0.0%) below previous. (1 yr +0.3%)  
SEP Export Prices (0.0% below previous. (1yr +3.8%)

## US ECONOMY: RECESSION & GDP INDICATORS

### NY FED: RECEDING MINIMAL RECESSION THREAT

**US recession chances one year out: 25.05% (NOV 2026) per NY Fed.** (Recession expected if chance > 30%.) As of May 2025, the Fed model's chance of recession fell below 30%, the threshold signaling a recession one year out. It remains there. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics.

**ATLANTA FED: US Q4 GDP NOW Soars to 5.1%** Atlanta Fed Current GDP Model (1/9/2026): **Q4 Annualized +5.1% (Last week: Q4 Annualized +3.0%)**

## US ECONOMY: FEDERAL RESERVE FED BALANCE SHEET (\$6.573T); FFR @ (3.50-3.75%)

Federal Reserve:  
week of  
JAN.09.2026

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

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

Currently, the Fed's balance sheet is 6.573T, (UP .003) in the latest week (1/9/2025). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. The next FOMC meeting is January 28.

The Fed Check at 98% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.54%, however, is 8 bps LOWER than the Fed overnight rate (3.625%), implying US domestic conditions merit at least one more Fed rate cut.

CME Fed futures remain sure that there will be no Fed rate hikes in the near future. Meanwhile, futures make a 2026 rate cut unlikely until Powell is gone. Odds don't exceed 50% until June's 73% CME read.

The 3m-10y yield curve steepened this week, going from a positive slope of 63 bps to one of 68 bps, as the 10-year US Treasury yield rose 1 bpt to 4.19%, and the 3-month cash yield fell 2 ticks to 3.51%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The median yield is still falling, leaving our interest rate signal for stocks bearish.

3-month SOFR yield at 3.64% is down this week, while the 3-month T-bill at 3.51% is also down. That puts the SOFR/T-Bill (SOF-T) spread at 13 basis points, below its 200-day average of 16 bps. A falling SOF-T spread signals a safer, more confident financial system.

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

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

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

## US Currency Market: DOLLAR Strength Greet's New Year



**US Dollar:** UUP rose 0.8% this week, following last week's 0.5% gain. It is currently bearish — down -0.8% for the quarter (13 weeks), but up 7.4% in the last year (52 weeks). At 27, UUP is below its short-term (50-day) average at 28, and below its intermediate-term (200-day) average at 28. Momentum in the greenback is negative and deteriorating. RSI14 at 43.2 is neither overbought nor oversold. A more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regions' trade competitiveness.

The US tariffs announcement in early April led to a three-month 7% drop in the Dollar by July. As the tariff plan rolled out, a six-month 5% rally in the buck has followed. Basically, the Dollar is now worth about what it was at the tariff announcement, but 9% weaker than its value when Trump took office. A weaker

Dollar often coincides with easier US financial conditions, improving global liquidity and stronger commodity and emerging market trade balances and US tariffs— all of which we have seen of late. It primarily benefits emerging markets, commodity exporters, and value/cyclical foreign markets. No surprise that gold and emerging markets have been excelling. Most major currencies are bullish versus the Dollar, only the Yen is bearish. Europe and Japan are major trading partners, and they still have easier monetary policies than the US, but that is changing. US tariffs on the other hand dampen US economic performance and weaken the Dollar. As for other major currencies vs. the Dollar, the Euro is bullish and up 0.7%, the Yen is bearish and up 0.6%, the Pound is bullish and up 0.3%, the Canadian dollar is bullish and up 1.3%, the Australian dollar is very bullish and flat, and the Swiss Franc is bullish and up 1.1%.

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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.

	This week	TS	READ	US \$ investors in Foreign Assets
Australian \$ (FXA)	0.0%	101%	very bullish	US\$ Investors outperform hedged
British Pound (FXB)	-0.3%	67%	bullish	US\$ investors outperform hedged
Canadian Dollar (FXC)	-1.3%	67%	bullish	US\$ investors outperform hedged
Euro Dollar (FXE)	-0.7%	65%	bullish	US\$ investors match hedged (IEV=HEDJ)
Swiss Franc (FXF)	-1.1%	63%	bullish	US\$ investors outperform hedged
Japanese Yen (FXY)	-0.6%	1%	bearish	US\$ investors underperform hedged (EWJ<DXJ)
US Dollar (UUP)	0.8%	17%	bearish	

## US Bond Market: #8 BONDS Hold Support At 200-day



**US Long Treasury Bonds:** EDV rose 1.6% this week, following last week's -1.3% loss, leaving it ranked #8 globally and more attractive than cash. Long bonds are down 1.6% for the quarter (13 weeks) but up 2.1% for the year (52 weeks) as yields have fallen. The 3m-10y yield curve steepened this week, going from a positive slope of 63 bps to 66 bps, as the 10-year US Treasury yield fell 2 bps to 4.17%, and the 3-month cash yield fell 2 ticks to 3.51%. Technically, US long bonds are bearish, and at 66, EDV is above its short-term (50-day) average at 67, and above its intermediate-term (200-day) average at 66. Momentum (PMO) is negative but improving, and its 14-day RSI of 50.3 means EDV is neither overbought nor oversold. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Bond prices, after a long ride up have corrected about 10% since the October Fed meeting. Long bond prices are back where they were when Trump took office, currently with a flat intermediate trend and a declining short (50-day) trend. Lower bond prices usually reflect an improving economy. Truncated government data certainly hasn't provided much definitive clarity to the economic situation, but that may be the case. New December payrolls this week (50K) were anemic, but no longer negative, and the unemployment rate fell. Moreover, Q4 "GDP Now" estimates spiked to 5.1% this week. Q4 productivity soared, sending unit labor costs lower. Tariffs cut the October monthly trade deficit (-\$29B) to half that of the month before (-\$59B). Absent another government shutdown, there are signs we could be off to the races in 2026.

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

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## US Equity Market: #6 US LARGE-CAPS Notch New High



**US Large-Cap Stocks:** SPY rose 1.6% this week, following last week's -1.0% loss, leaving it ranked #6 globally and more attractive than cash. The index is up 4.4% for the quarter (13 weeks) and up 21.5% for the year (52 weeks). Technically, US large caps are very bullish, and at 694.07, SPY is above its short-term (50-day) average at 677.14, and above its intermediate-term (200-day) average at 622.05. Its momentum (PMO) is positive and improving, and its 14-day RSI of 62.9 means SPY is neither overbought nor oversold. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

SPY notched a new record high to close the first full week of trading in 2026. The US tariff regime has weakened the Dollar and weighed on US assets since

April. SPY rose about 17% in 2025, a healthy return, but one that paled in comparison to gold (up 65%) and foreign equities (up 30% to 35%). Meanwhile, 2026 is expected to be more of the same, but with small caps outperforming large early on. Uncertainties regarding the Federal shutdown, taxation, fiscal spending, and the debt ceiling are behind us, and the new tax regime will be kicking in. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish. On the bearish side, self-inflicted taxes on imports have kept US stocks from going through the roof, helping emerging markets, at least pending the Supreme Court ruling on tariffs.

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

(Charts reprinted with permission from stockcharts.com.)

## US Equity Market: #3 US SMALL-CAPS Get January Surge



**US Small-Cap Stocks: IWM** rose 4.6% this week, following last week's -1.1% loss, leaving it ranked #3 globally and more attractive than cash. The index is up 7.0% for the quarter (13 weeks) and up 21.1% for the year (52 weeks). Technically, US small caps are very bullish, and at 260, IWM is above its short-term (50-day) average at 246, and above its intermediate-term (200-day) average at 224. Its momentum (PMO) is positive and improving, and its 14-day RSI of 66 means IWM is neither overbought nor oversold. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

January is usually the season for small caps, especially if interest rates are falling. This January is no exception as small caps were among the strongest assets we

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

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

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## US Equity Market Top 5 Sectors:

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

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

**This week's** US equity sector momentum is positive, breath is broad but narrows-- 81% of our sectors are buy or hold (L89%) with **BUYS** now 33% (L37%) and **HOLDS** now 48% (L52%). **AVOIDS** are currently 19% (L11%). Potential "Buys" include Gold Miners, Semiconductors, Biotech, Pharma, Oil Equipment & Services. "Avoids" include Food & Beverage, Consumer Staples, Healthcare Providers, REITs, and Insurance.

CI%	Description	ROC	TS	READ	RSI		PMO	+/-	Condition
100%	Gold Miners (GDX)	84%	128%	very bullish	66.0		4.90	positive	improving
64%	Semiconductors (SMH)	59%	121%	very bullish	66.1		2.73	positive	improving
49%	Biotechnology (IBB)	41%	112%	very bullish	55.5		1.63	positive	deteriorating
41%	US Pharmaceuticals (IHE)	35%	105%	very bullish	53.9		2.07	positive	deteriorating
35%	US Oil Equip & Serv (IEZ)	42%	121%	very bullish	69.4		2.75	positive	improving
34%	US Technology (IYW)	28%	98%	very bullish	53.2		0.42	positive	improving
32%	Bitcoin (BLOK)	24%	54%	neutral	54.1		-0.70	negative	improving
29%	Telecom (FCOM)	23%	105%	very bullish	62.4		1.17	positive	deteriorating
28%	US Aerospace & Def (PPA)	28%	114%	very bullish	73.1	OB	2.45	positive	improving
23%	S&P 500 (SPY)	19%	106%	very bullish	62.9		0.82	positive	improving
22%	Retail (XRT)	18%	89%	very bullish	66.7		1.67	positive	improving
22%	Media Portfolio (XLC)	17%	91%	very bullish	59.8		0.85	positive	deteriorating
21%	KB Banks (KBE)	21%	103%	very bullish	63.8		2.02	positive	deteriorating
18%	Transports (IYT)	18%	110%	very bullish	66.7		1.73	positive	improving
17%	Capital Markets (KCE)	17%	98%	very bullish	63.3		1.69	positive	improving
16%	Industrials (XLI)	14%	107%	very bullish	64.2		1.30	positive	improving
11%	DJ Internet Index (FDN)	8%	32%	bearish	46.9		-0.24	negative	improving
10%	Select Materials (XLB)	11%	102%	very bullish	72.2	OB	2.07	positive	improving
10%	Home Construction (XHB)	13%	59%	neutral	68.1		0.23	positive	improving
9%	Utilities (XLU)	7%	47%	neutral	45.9		-0.80	negative	deteriorating
8%	Software (XSW)	5%	40%	bearish	51.4		-0.05	negative	deteriorating
7%	Oil/Gas Expl & Prod (XOP)	6%	54%	neutral	49.1		-0.57	negative	improving
3%	US Medical Devices (IHI)	4%	102%	very bullish	60.0		0.76	positive	improving
3%	CASH	2%	80%	bullish	49.1		0.03	positive	deteriorating
3%	KBW Insurance (IAK)	2%	89%	very bullish	49.3		0.87	positive	deteriorating
2%	REITs (VNQ)	3%	37%	bearish	52.9		-0.26	negative	improving
1%	US Health Providers (IHF)	8%	80%	bullish	58.2		0.60	positive	improving
-3%	Consumer Staples (XLP)	-3%	26%	bearish	60.5		0.20	positive	deteriorating
-5%	Food & Beverage (PBJ)	-6%	10%	very bearish	50.4		-0.02	negative	deteriorating

## INTERNATIONAL MARKETS: #1 GOLD Fills Its Downside Gaps



**Gold Bullion:** GLD rose 4.1% this week, following last week's -4.4% loss, leaving it ranked #1 globally and more attractive than cash. Most recently, GLD is up 13.2% for the quarter (13 weeks) and up 67.0% for the year (52 weeks). Technically, gold bullion is very bullish, and at 414, GLD is above its short-term (50-day) average at 388, and above its intermediate-term (200-day) average at 333. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 64 means GLD is neither overbought nor oversold. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Gold's overbought rally soared to new records two weeks ago, gave it all back last week, and recovered partially this week. It remains #1 just below all time

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

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## INTERNATIONAL MARKETS: COMMODITY Prices Rise



**Commodities:** A neutral CRB rose 2.3% this week after last week's -1.4% loss. That left commodity prices up 2.5% for the quarter (13 weeks) and up 5.9% for the year (52 weeks). At 23, the CRB is above its short-term (50-day) average at 23, and above its intermediate-term (200-day) average at 22. Its momentum (PMO) is negative but improving, and its 14-day RSI of 54 means the CRB is neither overbought nor oversold.

**Crude Oil:** Meanwhile, oil prices (USO) rose 2.6% this week, following last week's 0.7% gain, and are currently bearish. That leaves US oil prices down -1.1% for the quarter (13 weeks) but up 9.5% for the year (52 weeks). At 71, USO is above its short-term (50-day) average at 70, but below its intermediate-term (200-day) average at 72. Its momentum (PMO) is negative but improving, and its 14-day RSI of 55 means oil is neither overbought nor oversold. A more expensive Dollar this week dampened returns on foreign assets, commodities, and

gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

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

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## INTERNATIONAL EQUITIES: #7 EUROPE: Break Out Continues



### European Large-Cap Stocks:

IEV rose 1.2% this week, following last week's 0.6% gain, leaving it ranked #7 globally and more attractive than cash. Most recently, Europe is up 8.7% for the quarter (13 weeks) and up 40.9% for the year (52 weeks). Technically, IEV is very bullish, and at 70, it is above its short-term (50-day) average at 66, and above its intermediate-term (200-day) average at 62. Its momentum (PMO) is positive and improving, and its 14-day RSI of 69 means IEV is verging on overbought. As for currency effects, Euro strength improves returns on European equities for Dollar investors. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

The Fed rate cut prompted IEV's take-off and it is still going. Recent European Central Bank communication has also strengthened confidence that policy easing is coming, even if gradual. With euro-area inflation

continuing to cool and growth stabilizing, markets are discounting lower real rates ahead. Cheaper US money is good for European stocks, and the tariff situation is less of a problem for Europe than it is for US consumers and business. NOTE: A neutral to slightly bullish Euro vs. Dollar keeps IEV @8 slightly underperforming the hedged version (HEDJ @9) of European equities.

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

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## INTERNATIONAL EQUITIES: #5 JAPAN Gaps to Overbought



**Japanese Stocks:** EWJ rose 4.0% this week, following last week's 0.4% gain, leaving it ranked #5 globally and more attractive than cash. Most recently, Japan is up 11.6% for the quarter (13 weeks) and up 44.4% for the year (52 weeks). Technically, EWJ is very bullish, and at 85, it is above its short-term (50-day) average at 78, and above its intermediate-term (200-day) average at 71. Its momentum (PMO) is positive and improving, and its 14-day RSI of 73 means EWJ is overbought. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Japanese equity strength is due to Yen weakness boosting exporters and raising the yen value of overseas earnings for Japan's large export-heavy companies. (This tends to drive

overnight futures buying and produce gaps at the open.) In addition, Bank of Japan remains accommodative even as global inflation pressures ease. The perception that real rates remain negative, and policy normalization will be gradual supports equities over the yen, reinforcing foreign inflows into Japanese stocks. Strong corporate actions including buybacks along with earnings momentum also contribute. Finally, with global recession odds easing and long yields stabilizing, investors are rotating into cyclical markets, and US tariffs tend to mitigate in favor of foreign equities. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ @31) of Japanese equities preferable to the dollar version we track (EWJ @17). Also, expect recent upside gaps to be filled.

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

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## INTERNATIONAL EQUITIES: #4 Overbought ASIA-PACIFIC Maintains Gap



**Asia-Pacific ex-Japan: AAXJ** rose 1.6% this week, following last week's 3.0% gain, leaving it ranked #4 globally and more attractive than cash. The index is up 7.6% for the quarter (13 weeks) and up 44.7% for the year (52 weeks). Technically, AAXJ is very bullish, and at 98, it is below its short-term (50-day) average at 92, and below its intermediate-term (200-day) average at 83. Its momentum (PMO) is positive and improving, and its 14-day RSI of 73 means AAXJ is overbought. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Cheaper US money is good for US export demand everywhere. It puts Asian equities in the number 4 slot in the regional index model and better than cash. It lags #1 Gold but only fractionally. US tariffs are the reason foreign

stocks have been outperforming US equities, and the tariff situation is more of a problem for Asian exporters (particularly China and India) than it is for other regions. Nevertheless, Asian equity markets (AAXJ +17) remain comparably attractive to US stocks (VTI +10). South Korea (EWY +51) is a standout. Hong Kong (EWH +13) and Taiwan (EWT +13) are doing well. Singapore (EWS +8) and China (FXI +8) lag the US. Australia (EWA 0) and India (PIN 0) are struggling due to US tariff issues.

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

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## INTERNATIONAL EQUITIES: #2 LATIN AMERICA Persists



**Latin America 40:** ILF rose 3.3% this week, following last week's 1.0% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 20.0% for the quarter (13 weeks) and up 64.5% for the year (52 weeks). Technically, ILF is very bullish, and at 32, it is above its short-term (50-day) average at 30, and above its intermediate-term (200-day) average at 26. Its momentum (PMO) is positive and improving, and its 14-day RSI of 66 means ILF is neither overbought nor oversold. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness. It also makes repaying dollar-denominated debt tougher.

The December Fed rate cut has been well received abroad. Cheaper US money is good for US export demand everywhere. It

briefly propelled Latin equities into the number 1 slot in the regional index model in December, and it remains in #2 this week. US tariffs are the reason foreign stocks are outperforming US equities, and the tariff situation is less of a problem for Latin exporters than it is for other regions. Cheaper US money is good for Latin stocks, and US consumers and business. Latin stocks (ILF +23) have outperformed their US cousins (VTI +10) since the tariff announcement 4/25. Chile (ECH +36), Colombia (COLO +34), Brazil (EWZ +19), and Mexico (EWW +18) are strongest, while Argentina (ARGT +12) continues to dig itself out of its most recent leftist hole. Canada (EWC +17) which is not in ILF, but a key player in the Americas continues to beat most players in the hemisphere despite facing 35% tariffs on the 60% of its exports not covered by USMCA.

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

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## Private Sector Strategies—ETFs

### Market Timing v. Diversified Buy & Hold: Performance

Strategy	26ytd	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Index Moose</b>	<b>4.6%</b>	<b>58.7%</b>	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	<b>5.1%</b>	9.0%
Aggressive G&I (AOA)	2.1%	19.3%	11.5%	<b>15.6%</b>	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
US Strategy Moose	1.3%	16.7%	<b>26.1%</b>	12.3%	<b>-7.0%</b>	<b>22.2%</b>	<b>20.9%</b>	<b>23.6%</b>	1.2%	<b>28.5%</b>
Moderate G&I (AOM)	1.0%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
S&P Benchmark	-1.6%	14.5%	24.5%	24.3%	-19.5%					

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

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

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

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

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

## Passive Buy-and-Hold Strategies

### TOP Buy and Hold Strategy: Aggressive Growth (AOA)

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

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
68%	(AOA) Aggressive Growth	14%	106%	very bullish	68.3	0.88	positive	improving
45%	(AOM) Moderate Growth	9%	104%	very bullish	64.5	0.68	positive	improving

  

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
2.1%	(AOA) Aggressive Growth	0.9%	0.5%	4.4%	11.1%	31.6%	21.9%	41.3%
1.0%	(AOM) Moderate Growth	0.4%	0.3%	3.3%	7.8%	17.9%	15.7%	26.5%

  

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.9%	(AOA) Aggressive Growth	88.89	91.41	91.47	91.47	68.45	88.82	82.72
99.7%	(AOM) Moderate Growth	47.67	48.23	48.28	48.36	41.20	47.28	44.98

## The US Equity Strategy (USES) Model

### TOP US Equity Strategy: HOLD US Growth

In this section: 7 alternative US equity strategies (as represented by the most popular smart-beta ETFs based on volume and capitalization) and 2 global asset allocation strategies are monitored and ranked using our momentum methodology. The 7 US equity strategies include US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight. The 2 global asset allocation strategies are moderate (40% equities / 60% income) and aggressive (80% equities / 20% income). The table below compares the relative strength of each of the 9 strategies to a SPY benchmark and a SHY cash baseline.

**THIS YEAR:** US Stocks struggled in January, backed off in March, plummeted to a V-bottom in April and rebounded by May. They are bullish but have lagged offshore equities and gold throughout, due to a weaker Dollar caused by US tariffs. Now, with the second rate cut in the books, and possibly one more rate cut to come, US tariffs, and trillions in US federal deficit spending continuing through December (absent rescissions), equities and hard assets appear to have solid future prospects.

**THIS WEEK:** All USES funds are working off buy-stops this week, including SPY, having exited the previous false switch to cash and returned to US Growth (IUSG) 12/5/25 @169.25. Among US stock strategies, US Growth still leads in confidence index, technical strength and rate of change.

**THIS was the 1<sup>st</sup> Risk-ON week after one MIXED-Risk week. Foreign Stocks UP, US Stocks UP, US Bonds UP, Gold UP.**

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	(IUSG) US Growth	19%	103%	very bullish	57.0	0.66	positive	improving
2	85%	(SPY) US Large-caps	17%	106%	very bullish	62.9	0.82	positive	improving
3	66%	(IUSV) US Value	14%	107%	very bullish	67.1	1.12	positive	improving
4	65%	(QUAL) US Fundamentals	14%	106%	very bullish	67.4	1.05	positive	improving
5	55%	(MTUM) US Momentum	11%	92%	very bullish	58.1	0.83	positive	improving
6	50%	(RSP) S&P Equal Weight	11%	101%	very bullish	61.4	1.07	positive	improving
7	43%	(SPYD) US High Dividend	12%	107%	very bullish	71.1	2.30	positive	improving
8	12%	(SGOV) Cash	2%	85%	bullish	65.0	0.07	positive	deteriorating
9	-1%	(SHY) Short Income	0%	64%	neutral	48.1	0.00	negative	improving
10	-17%	(SPLV) US Low Volatility	-3%	20%	bearish	54.5	0.05	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 negative, when it hits a stop-loss, is overbought, or gives some other sell signal, adopting any sub-strategy that is highly correlated to it is not recommended. To initiate a switch both SPY and the strategy ETF must have TS>0 and CI>0 or better, not be overbought, and be working off a buy-stop.

## Best S&P Strategies

### Rotation Out of IUSG to Broader Market (RSP) in 1st Week of New Year

**This week:** MTUM leads over 3 years and over 52 weeks, IUSG over 6 and 9 months. Rotation into broader US market (RSP) in Q4. US equities catching up with offshore stocks but still lag. Among US strategies, Growth and Momentum outperform the S&P benchmark over 3 years.

	YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
1	3%	(RSP) S&P Equal Weight	1.5%	0.6%	4.4%	7.9%	27.8%	14.8%	32.1%
2	3%	(QUAL) US Fundamentals	1.4%	0.3%	4.6%	11.3%	32.9%	15.8%	44.8%
3	3%	(MTUM) US Momentum	0.7%	0.6%	1.0%	8.2%	43.6%	24.7%	72.7%
4	3%	(IUSV) US Value	1.2%	0.5%	6.2%	11.0%	28.7%	16.5%	31.5%
5	3%	(SPYD) US High Dividend	1.5%	0.5%	7.5%	10.1%	20.8%	16.4%	32.3%
6	2%	(SPY) US Large-caps	0.9%	0.0%	4.3%	12.0%	39.3%	19.8%	53.1%
7	1%	(IUSG) US Growth	0.7%	-0.4%	3.1%	12.7%	49.0%	22.1%	71.2%
8	1%	(SPLV) US Low Volatility	0.7%	-0.8%	-0.8%	-1.0%	2.9%	4.3%	14.3%
9	0%	(SGOV) Cash	0.0%	0.1%	0.8%	1.8%	2.9%	4.0%	9.5%
10	0%	(SHY) Short Income	-0.1%	0.1%	0.0%	1.5%	2.1%	4.1%	8.2%

## The Global Index Model

### TOP Index Model Move HOLD GLD

**THIS YEAR:** Strong gold and weak US stocks put the Index model into gold from January through April helping us to avoid the March-April V-bottom in equities caused by the tariff announcement. Exiting gold, which had flattened by mid-May, for International stocks set up a period of vacillation between gold and international stocks that ended with a switch back to gold in late August, ahead of the first Fed rate cut on 9/18. With rate cuts, trillions in US federal deficit spending, and US tariffs weakening the Dollar through December, foreign equities and hard assets still have excellent future prospects.

**THIS WEEK:** The Global Index Model continues to outperform the S&P, all Buy-and-Hold allocations, and the USES and TSP models in a major way. Index Moose HOLDS #2 Gold (GLD) via buy-stop since 8/28/25. Severely overbought, gold corrected about 11% on hawkish Fed-speak in November, never triggering a stop-loss. This week, US small caps (IWM) have overtaken gold in the primary momentum metric (CI%). Gold continues to lead in technical strength, PMO, and quarterly performance. Gold is overbought, but we are sticking with the hold. Would wait for a dip to add.

**THIS was the 1<sup>st</sup> Risk-ON week after one MIXED-Risk week. Foreign Stocks UP, US Stocks UP, US Bonds UP, Gold UP.**

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Gold Bullion (GLD)	114%	very bullish	64.4	2.37	positive	deteriorating
2	69%	US Small-caps (IWM)	108%	very bullish	66.1	1.34	positive	improving
3	68%	Emerging Markets (EEM)	112%	very bullish	71.1	1.61	positive	improving
4	57%	US Large-caps (SPY)	106%	very bullish	62.9	0.82	positive	improving
5	49%	Developed Markets (EFA)	109%	very bullish	70.1	1.95	positive	improving
6	7%	Very Long US Bonds (EDV)	33%	bearish	50.3	-0.75	negative	improving
7	0%	Short US Income (SGOV)	100%	very bullish	79.6	0.06	positive	improving

	YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
1	5.7%	US Small-caps (IWM)	4.6%	-1.1%	7.0%	17.0%	38.2%	21.1%	37.1%
2	4.6%	Gold Bullion (GLD)	4.1%	-4.4%	13.2%	34.7%	45.2%	67.0%	118.9%
3	4.4%	Emerging Markets (EEM)	1.6%	2.6%	7.2%	18.0%	41.3%	41.7%	47.9%
4	2.9%	Developed Markets (EFA)	1.8%	0.5%	9.2%	15.7%	33.2%	40.4%	45.3%
5	1.8%	US Large-caps (SPY)	1.6%	-1.0%	4.4%	11.5%	28.2%	21.5%	53.1%
6	1.3%	Very Long US Bonds (EDV)	1.6%	-1.3%	-1.6%	5.4%	-1.6%	2.1%	-15.9%
7	0.1%	Short US Income (SGOV)	0.1%	0.1%	0.4%	0.2%	0.4%	0.3%	0.4%

## The Thrift Savings Plan Momentum & Performance

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

**Answer:** it depends on the investor and on what's working. In 2026, the TSP Timing Model is lagging Lifetime Funds. For buy and hold (Lifetime) investors: Relative strength in equities over income means aggressive portfolios are out-performing moderate and conservative Lifetime choices.

### The TSP Model: HOLD Large-caps (Fund C)

**THIS was the 1<sup>st</sup> Risk-ON week after one MIXED-Risk week. Foreign Stocks UP, US Stocks UP, US Bonds UP, Gold UP.**

**TSP Moose HOLDS Large-cap equities (Fund C) via CI since 12/3/25 (@109.48).**

\*All TSP funds with an equity component are working off buy-stops this week. Fund C holds the TSP Model's #1 spot per confidence index, but price momentum, technical strength, and RSI are swinging back to international as January opens. No funds in the model are overbought or oversold.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	US Large-caps (C)	15%	106%	very bullish	62.23	0.75	positive	improving
2	97%	Lifetime 2060	15%	107%	very bullish	67.21	1.08	positive	improving
3	96%	Internat stocks (I)	15%	109%	very bullish	73.79	1.62	positive	improving
4	95%	US Small-caps (S)	16%	107%	very bullish	63.74	1.04	positive	improving
5	81%	Lifetime 2050	13%	106%	very bullish	67.45	0.92	positive	improving
6	71%	Lifetime 2040	11%	105%	very bullish	67.71	0.83	positive	improving
7	59%	Lifetime 2030	9%	105%	very bullish	68.03	0.70	positive	improving
8	28%	Long-term Inc (L)	4%	103%	very bullish	70.98	0.42	positive	improving
9	19%	Fixed Income (F)	3%	88%	very bullish	57.47	0.12	positive	improving
10	2%	Short-term Inc (G)	0%	91%	very bullish	100.00	0.17	positive	improving

**TSP RECENT PRICE ACTION:** Fund S leads performance year-to-date, and over 39-weeks. Fund C, however, leads over 26 weeks and 3 years. The models are more or less based on six-month momentum, so Fund C has the best answer to the question "what have you done for me lately?"

### TSP Lifetime & Index Funds: Performance Progression

	FUND	this wk	last wk	13wk	26wk	39wk	52wk	YTD	3Y
1	US Small-caps (S)	3.4%	-0.8%	5.0%	12.3%	46.6%	17.2%	4.7%	39.4%
2	Internat stocks (I)	1.8%	0.8%	9.8%	14.8%	43.7%	37.0%	2.8%	43.9%
3	Lifetime 2060	1.9%	-0.3%	6.7%	13.3%	42.4%	25.9%	2.5%	46.6%
4	Lifetime 2050	1.6%	-0.3%	5.8%	11.4%	35.0%	22.4%	2.1%	39.7%
5	Lifetime 2040	1.4%	-0.2%	5.2%	10.3%	30.7%	20.2%	1.8%	35.7%
6	US Large-caps (C)	1.6%	-1.0%	5.2%	12.6%	41.1%	21.0%	1.8%	50.3%
7	Lifetime 2030	1.1%	-0.2%	4.5%	8.8%	25.7%	17.4%	1.5%	31.1%
8	Long-term Inc (L)	0.6%	-0.1%	2.8%	5.3%	13.0%	10.4%	0.8%	18.4%
9	Fixed Income (F)	0.4%	-0.2%	1.5%	4.1%	5.5%	8.6%	0.3%	9.7%
10	Short-term Inc (G)	0.1%	0.1%	1.2%	2.2%	3.3%	4.4%	0.1%	9.0%

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

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>L2060</b>	<b>2.5%</b>	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	2.1%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	1.8%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	1.8%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	1.5%	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***

## ***January 9, 2026***

The first full trading week of 2026 was a winner. All of the assets we follow were up—US equities, US bonds, foreign equities, commodities, oil, gold, and even the US Dollar. Consumer confidence came in high this week and investor confidence followed suit, right through the roof. That said, there were a lot of gaps left to be filled on the way to a number of overbought conditions. Things will pull back on their way up.

If the “One Big Beautiful Bill” lives up to even half its hype, investors should have a very prosperous year. There are already indications that the economy is picking up. The Atlanta Fed's “GDP Now” posted a 5.1% annualized Q4 print this week, up from 3.5% last week. A year ago, we hadn't seen GDP above 3% for close to four years, and when we did it turned out it wasn't to be believed.

I've lived in Washington DC for over a half century, so I tend to question the veracity of just about everything that sounds too good to be true... no matter the source. Time will tell if 2026 turns out to be a winning hand, but a lot of folks are anteing up and dealing themselves in.