MOOSECALLS

Global Financial News & Analysis
JUL.24.2026 through AUG.02.2026

EXECUTIVE SUMMARY: JUL.24.2026

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

GLOBAL MARKETS: WEEK'S ACTION—Risk-OFF (2)

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

US EQUITY RETREAT DEEPENS AS WAR INTENSIFIES

With the post-ceasefire resumption of US bombing about to enter a third week US equities continue to slide. US small-caps (-1.0%) led large-caps (-0.6%) lower as oil prices (+10.3%) pushed above $90, pressuring commodity inflation (+3.9%). The likelihood of a Fed rate hike increased, and bond yields rose with long T-bond prices dropping 2.1%. The ten-year yield rose 14 bps to 4.68%, while the 3-month cash yield added 10 bps to 3.81%. That steepened the yield curve to 87 bps. Higher yields helped the Dollar (+0.9%) but not enough to weaken gold bullion (+0.9%) appreciably. Foreign equities, for their part were mixed. Asia-Pacific (0.0%) was flat, and Europe (-0.2%) was down, while Japan (+0.8%) and Latin America (+1.7%) recovered some of their recent losses. There were no changes to the models this week, but confirmation of a possible stop loss in US small caps next week could lead to changes in all three models.

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: No new data. Oil prices rose 10% this week and are now back above $90 per barrel, but they are still down this quarter. Global inflation per the Fed Check (88) still warrants tightening, but it has improved assisted by rate hikes in Europe and Japan.

US ECONOMIC DATA: *Global Services & Manufacturing Beat; June New Home Sales Revive; Jobless Claims Down* Recession chances a year out minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q2) UP as of 7/24: 1.7%.

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 July (7/29). Fed Chairman Kevin Warsh replaced Jerome Powell May 22. Iran war has spiked inflation fears. Fed Check (88) is improving but remains hawkish since 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) **The odds are 62% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (93%) is the most likely outcome.**

INVESTMENT STRATEGIES: There were no changes to the models this week, but confirmation of a possible stop-loss in US small caps next week could lead to changes in all three.

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 2743 this week, down from 2752 last week but up 3% 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 up to $90.42 this week, but down (-5%) 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 $6.36, up this week, and up 4% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.68% this week, a 37 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.02.2026

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. US Small-caps replace it at #1. (EEM also triggered a stop-loss in the index model and is replaced by IWM.)

IWM leads in overall confidence among assets still working off a buy-stop. It also leads in positive PMO. Technical strength is very bullish. NOTE: IWM touched a stop-loss this Friday but held above its 50-day right below. Waiting to confirm the stop-loss if it breaks below the 50-day next week. (The best regional alternative this week is ILF which gave a buy-stop 7/22 and is rallying with the rise in oil prices due to war. That however may be temporary. The best Index alternative is US large caps (SPY) or Developed Markets (EFA).

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

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Asia Pacific ex-Japan (AAXJ)*	56%	neutral	41.3	-0.52	negative	deteriorating
2	**85%**	**US Small-caps (IWM)**	**85%**	**very bullish**	45.7	**0.83**	**positive**	deteriorating
3	83%	Japan (EWJ)*	70%	bullish	45.4	0.17	positive	deteriorating
4	65%	Latin America (ILF)	66%	bullish	53.8	0.37	positive	improving
5	50%	Europe (IEV)	79%	bullish	51.1	0.56	positive	deteriorating
6	40%	US Large-caps (SPY)	74%	bullish	45.5	0.46	positive	deteriorating
7	10%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	deteriorating
8	-18%	Gold Bullion (GLD)	10%	very bearish	44.8	-2.07	negative	improving
9	-30%	Very Long US Bonds (EDV)	0%	very bearish	32.8	-0.84	negative	deteriorating
		US Dollar	91%	very bullish	54.1		positive	deteriorating
		Commodities	56%	neutral	58.7		negative	improving
		US Oil	66%	bullish	58.5		negative	improving
		Ryan/CRB	91%	HIKE RATES				
		Volatility	16.3	reduced fear				

IWM is the best performing region YTD, and over 13 and 26 weeks. AAXJ continues to fade near term, but ILF has rebounded with the war and oil prices. Emerging markets remain much more volatile, however. June rate hikes in Europe and Japan have dinged foreign equities,

YTD	FUND	07/24/26	07/17/26	13wk	26wk	39wk	52wk	3Y
18.3%	**US Small-caps (IWM)**	-1.0%	-0.7%	**6.3%**	**11.1%**	18.8%	31.2%	36.6%
18.0%	Asia Pacific ex-Japan (AAXJ)	0.0%	-5.5%	3.9%	7.4%	21.2%	32.7%	60.3%
13.8%	Latin America (ILF)	**1.7%**	-1.3%	-5.8%	-4.2%	**30.8%**	**46.3%**	55.9%
13.0%	Japan (EWJ)	0.8%	-4.3%	5.3%	7.7%	20.1%	32.1%	44.3%
8.4%	US Large-caps (SPY)	-0.6%	-1.5%	5.2%	6.8%	11.0%	17.3%	37.0%
5.8%	Europe (IEV)	-0.2%	-0.1%	3.4%	2.8%	14.3%	18.0%	41.0%
0.3%	Short US Income (SGOV)	0.1%	**0.1%**	0.9%	1.8%	2.8%	3.9%	8.8%
-6.2%	Gold Bullion (GLD)	0.9%	-2.3%	-13.4%	-24.8%	-1.4%	21.0%	**64.7%**
-6.4%	Very Long US Bonds (EDV)	-2.1%	-0.1%	-4.0%	-4.7%	-11.1%	-1.0%	-10.1%

Global Economy through AUG.02.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

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

#1 ASIA-PACIFIC Tries to Fight Off Stop-Loss--
Asia-Pacific ex-Japan (AAXJ) rose 0.0% this week, after losing 5.5% last week. That left it neutral and ranked #1 globally and more attractive than cash. The index is up 3.9% for the quarter (13 weeks) and up 32.7% for the year (52 weeks).

#2 US SMALL-CAPs Settle Lower--
US Small-Cap Stocks (IWM) fell 1.0% this week, after losing 0.7% last week. That left it very bullish and ranked #2 globally and more attractive than cash. The index is up 6.3% for the quarter (13 weeks) and up 31.2% for the year (52 weeks).

#3 JAPAN Still Down Short-term--
Japanese Stocks (EWJ) rose 0.8% this week, after losing 4.3% last week. That left it bullish and ranked #3 globally and more attractive than cash. The index is up 5.3% for the quarter (13 weeks) and up 32.1% for the year (52 weeks).

#4 LATIN AMERICA Bumps Higher--
Latin America 40 (ILF) rose 1.7% this week, after losing 1.3% last week. That left it bullish and ranked #4 globally and more attractive than cash. The index is down 5.8% for the quarter (13 weeks), but up 46.3% for the year (52 weeks).

#5 EUROPE's Advance Slows--
European Large-Cap Stocks (IEV) fell 0.2% this week, after losing 0.1% last week. That left it bullish and ranked #5 globally and more attractive than cash. The index is up 3.4% for the quarter (13 weeks) and up 18.0% for the year (52 weeks).

#6 US LARGE-CAPS Dip Below 50-day--
US Large-Cap Stocks (SPY) fell 0.6% this week, after losing 1.5% last week. That left it bullish and ranked #6 globally and more attractive than cash. The index is up 5.2% for the quarter (13 weeks) and up 17.3% for the year (52 weeks).

#7 US Cash Yield Rises—
The three-month T-Bill yield is 3.81%, up 10 ticks from last week. The cash yield is above the Fed overnight rate (3.625%) following the 6/17 FOMC meeting at which no changes in rate policy were expected or made. Meanwhile, the two-year Treasury is yielding 4.35%, a 54 basis-point premium to cash

#8 GOLD Bounces Off 10-month Low--
Gold Bullion (GLD) rose 0.9% this week, after losing 2.3% last week. That left it very bearish and ranked #8 globally and less attractive than cash. The index is down 13.4% for the quarter (13 weeks), but up 21.0% for the year (52 weeks).

#9 LONG US TREASURIES Retreat As Oil Passes $90--
US Long Treasury Bonds (EDV) fell 2.1% this week, after losing 0.1% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 4.0% for the quarter (13 weeks) and down 1.0% for the year (52 weeks).

COMMODITIES Surge As Sorties Intensify--
A very bullish CRB rose 3.9% this week after gaining 5.3% last week. That left commodity prices up 3.4% for the quarter (13 weeks) and up 34.5% for the year (52 weeks). At $30.10, the CRB is above both its 50-day and 200-day moving averages.

Crude Oil Tops $90--
The broader oil complex (USO) rose 10.3% this week, following last week's 14.0% gain, and remains very bullish. US oil prices are up 8.6% for the quarter (13 weeks) and up 81.6% for the year (52 weeks). At $136.69, USO is above both its 50-day and 200-day moving averages.

US DOLLAR Triggers New Buy-Stop--
The US Dollar (UUP) rose 0.9% this week, after losing 0.2% last week. It remains very bullish, up 3.8% for the quarter (13 weeks) and up 5.6% over the past year (52 weeks). At $28.58, UUP is above both its 50-day and 200-day moving averages.

US ECONOMY: JUL.24.2026:

OVERALL: GLOBAL PRODUCTION, NEW HOME SALES UP

PRODUCTION: Global Services & Manufacturing Beat

(+) WEEKLY EIA Crude Oil Inventories (+2.01) draw turns into build as oil prices rise.
(-) JUN Industrial Production (+0.1%) in line with prior but below consensus.
(-) JUN Capacity Utilization (76.1) in line with previous but below expectations.
(-) JUN S&P Global U.S. Manufacturing PMI – (53.8) expanding, DOWN from previous.
(+) JUL S&P Global U.S. Services PMI – (53.8) expanding, a tick lower than previous.
(+) JUL ISM Manufacturing Index (53.3) expanding, above prior and consensus.
(-) JUN ISM Services Index (54.0) expanding, below prior and consensus.

CONSTRUCTION: June New Home Sales Revive

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

INFLATION: JUNE CPI, PPI 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 consensus. (+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 consensus. (+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)
(-) MAY PCE Prices (+0.4%) as expected. (1yr 4.1% up.)
(-) MAY PCE Prices – Core (+0.3%) as expected. (1yr 3.4% up.)

JOBS: JOBLESS CLAIMS IMPROVE

(+) Weekly initial Claims (187K) below previous and forecasts.
(+) Weekly Continuing Claims (1796K) lower than previous this week.
(-) JUN ADP Private Payrolls (98K) DOWN from previous more than expected.
(-) JUN Nonfarm Payrolls (57K) much weaker than previous and consensus.
(-) JUN Unemployment rate (+4.2%) down a tick due to shrinking labor force participation.
(-) JUN Average Hourly Earnings (+0.3%) in line, but below inflation rate.
(-) JUN Average workweek (34.3) unchanged.
(+) MAY JOLTS Job openings (7.594) UP from prior after revision lower.
JOLTS Separations

CONSUMPTION: JUNE RETAIL SALES MODEST

(-) JUN Consumer Confidence (91.2) UP from prior after downward revision, but below consensus.
(-) MAY Durable Orders (-4.5%) correcting after 8.5% surge in April.
(+) MAY Personal Income up strong (+0.7%), better than expected and prior.
(+) MAY Personal Spending (+0.7%) better than expected and prior.
(+) JUL Michigan Consumer Sentiment (54.4) growing, above consensus and prior.
(+) JUN NFIB Small Business Optimism (97.4) strong and above prior (95.3).
(-) MAY Trade Deficit (-$77.6B) greater than previous and consensus.
(-) JUN Federal Budget (-$120.3B) still in deficit but improved from May (-$292.6B).

GDP & RECESSION INDICATORS: IMPROVE

(+) Q1 GDP - Third Estimate (+2.1%) up from previous and consensus.
(-) Q1 GDP Deflator - Third Estimate (+3.6 %) up a tick from previous and still hot.
Q1 Employment Cost Index (0.9%) hotter than expected and previous.
Q1 Productivity – (+0.3%) revised weaker than prior and consensus
Q1 Unit Labor Costs – Warm but revised cooler (+1.8%) than previous and consensus.
(-) Q1 Current Account Balance (-$226.8) deficit greater than previous quarter and consensus forecast.

RECESSION THREAT: MINIMAL, RISING

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

ATLANTA FED: US Q2 GDP NOW at 1.7%

Atlanta Fed Current GDP Model (7/17/2026): Q2 Annualized 1.7% (Last week: Q2 Annualized +1.7%)

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

Federal Reserve: week of JUL.24.2026

Currently, the Fed's balance sheet is **6.75T, (UP +.01T)** in the latest week (**7/22/2026**). 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 or June FOMC meetings.

The next FOMC meeting is July 29. Trump replaced Jerome Powell with Kevin Warsh in the chair on May 22 and he chaired his first FOMC meeting June 17. No near-term rate hikes are expected, but a more hawkish tone suggests supply-side inflation pressures brought on by the war with Iran may eventually force rate hikes by year-end. **The odds are 62% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (93%) is the most likely outcome.**

The Fed Check at **88%** turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at **4.35%,** however, is now **72** bps HIGHER (and rising) than the Fed overnight rate (3.625%), implying near-term US domestic conditions make a Fed rate hike increasingly likely.

The **3m-10y yield curve steepened to a slope of 87 bps** this week, as the 10-year US Treasury yield rose to **4.68%**, and the 3-month cash yield rose to **3.81%**. 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 (**4.25%**) is above its 200-day (**3.95%**). A rising median yield and a steepening yield curve are both bullish for stocks.

3-month SOFR yield at 3.64% is higher this week, while the 3-month T-bill at 3.81% is up 10 ticks. That puts the SOFR/T-Bill (SOF-T) spread at **-17** basis points, below its 200-day average of **+9** bps. **A falling SOF-T spread signals a safer, more confident financial system.**

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

Latest FOMC Assessment (2026.6.17) The Federal Open Market Committee approved the following statement for release by a 12 – 0 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 reaffirmed 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: 7/29/2026)

US Currency Market:
US DOLLAR Triggers New Buy-Stop

US Dollar: UUP rose 0.9% this week, after losing 0.2% last week. It is currently very bullish—up 3.8% for the quarter (13 weeks), and up 5.6% in the last year (52 weeks). At $28.58, UUP is above its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is positive but deteriorating. RSI14 @ 64.3 is neither overbought nor oversold. As for other major currencies vs. the Dollar, the Australian Dollar (FXA) is bearish, and up 0.6% this week. The British Pound (FXB) is neutral, and up 0.5%. The Canadian Dollar (FXC) is very bearish, and up 1.1%. The Euro (FXE) is very bearish, and up 0.3%. The Swiss Franc (FXF) is very bearish, and up 0.2%, and the Japanese Yen (FXY) is very bearish and down 0.4%.

After a three-week stall, the Dollar rally resumed as interest rates followed oil and commodities higher. The end of the US-Iran ceasefire has oil above $90 this week. With the very cool June inflation report and solid June jobs numbers in the rearview mirror, the July spike in commodities is giving Dollar bulls hope. The Dollar has essentially followed oil prices and interest rates higher. This week oil is up another 10% pushing the 10-year yield up to 4.68%, a new high for 2026. Doubt about the "end-game" with Iran will continue to promote an expectation of Fed rate hikes later in the year – good for the Dollar. Concern about job weakness in the face of AI does the opposite. Along with war, which traditionally makes the Dollar a safe haven, US tariffs (re-upped this week) remain a positive for the greenback despite the last Supreme Court ruling. When oil prices revert to more normal and lower levels around $70, the demand for Dollars will fall.

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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)	bearish	US$ Investors outperform hedged
British Pound (FXB)	neutral	US$ Investors match hedged
Canadian Dollar (FXC)	very bearish	US$ Investors outperform hedged
Euro Dollar (FXE)	very bearish	US$ investors outperform hedged (IEV>HEDJ)
Swiss Franc (FXF)	very bearish	US$ investors outperform hedged
Japanese Yen FXY)	very bearish	US$ investors outperform hedged (EWJ<DXJ)
US Dollar	very bullish	

#9 LONG US TREASURIES Retreat As Oil Passes $90

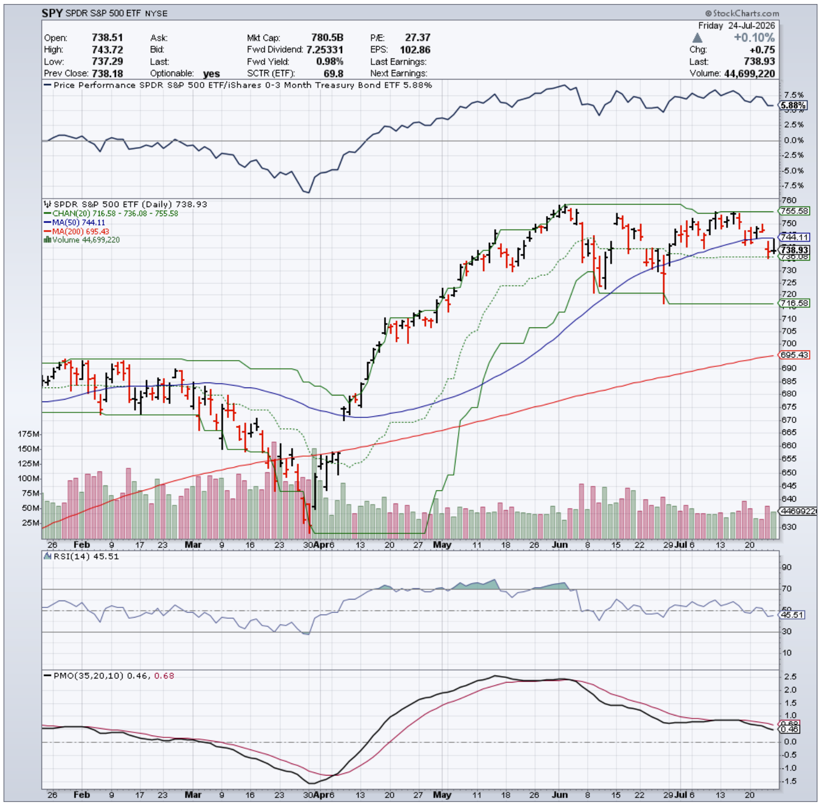
US Long Treasury Bonds: EDV fell 2.1% this week, after losing 0.1% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 4.0% for the quarter (13 weeks) and down 1.0% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 14.00 ticks to 4.68, and the 3-month yield rose 10 ticks, to 3.81, with the yield curve steepening to 87 basis points. That reduces the odds of a recession in late 2026. At $60.88, US Treasury Long Bonds are below their short-term (50-day) average and below their intermediate-term (200-day) average. Momentum (PMO) is negative and deteriorating, and its 14-day RSI of 32.8 means EDV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Long Bond prices continued lower this week as the end of the US-Iran ceasefire put oil above $90. With the very cool June inflation report and solid June jobs numbers in the rearview mirror, the July spike in commodities is sending bond prices toward a retest of 2026 lows. While chances that rates remain unchanged (62%) at next week's FOMC meeting are still better than 50-50, one or more rate hikes by December (93%) look increasingly certain. EDV has given up both its 50 and 200-day support levels and triggered multiple stop-losses in the process. That reaffirmed late April's EDV "death-cross", limiting chances of a Fed rate cut in 2026 and increasing chances of a rate hike.

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#6 US LARGE-CAPS Dip Below 50-day



US Large-Cap Stocks: SPY fell 0.6% this week, after losing 1.5% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is up 5.2% for the quarter (13 weeks), and up 17.3% for the year (52 weeks). At $738.93, SPY 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 45.5 means SPY is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

SPY continued lower for a second week, closing below its 50-day as the end of the US-Iran ceasefire put oil above $90. With the very cool June inflation report and solid June jobs numbers in the rearview mirror, the July spike in oil has stock investors considering next week's Fed meeting. While chances that rates remain unchanged (62%) at next week's meeting are still better than 50-50, one or more rate hikes by December (93%) look increasingly certain. Large cap's March through May advance has stalled the past two months. No panic, since retreating bonds and gold have made equities a last refuge of sorts, but there is a lot of rotation. Recent rate hikes in Europe and Japan made international stocks less attractive, favoring US stocks during the ceasefire. When that ended, the prospect of rising US rates led to second thoughts. Also, uncertainty over the impact of AI on job growth, and over the new revised US tariff regime remains. The larger issues of taxation, fiscal spending, and the debt ceiling, however, are settled, and the new favorable corporate tax regime is kicking in now. The Federal deficit remains outsized, although tariffs are reducing it slightly. Those bullish markers are getting a little long in the tooth, however, as investors nervously await the first rate hike.

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

(Charts reprinted with permission from stockcharts.com.)

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

US Small-Cap Stocks: IWM **fell 1.0%** this week, after **losing 0.7%** last week. That left it **very bullish** and ranked **2** globally and **more** attractive than cash. The index is **up 6.3%** for the quarter (13 weeks), and **up 31.2%** for the year (52 weeks). At **$291.17**, IWM is **above** its short-term (50-day) average and **above** its intermediate-term (200-day) average. Its momentum (PMO) is **positive** and **deteriorating**, and its 14-day RSI of **45.7** means IWM is **neither overbought nor oversold**. As for currency effects, **a pricier Dollar this week makes Dollar-denominated assets more attractive**. **Over time, a bullish Dollar improves return to Dollar investors in US assets.**

IWM continued lower for a second week, closing right at its 50-day as the end of the US-Iran ceasefire put oil above $90. With the very cool June inflation report and solid June jobs numbers in the rearview mirror, the July spike in oil has stock investors considering next week's Fed meeting. While chances that rates remain unchanged (62%) at next week's meeting are still better than 50-50, one or more rate hikes by December (93%) look increasingly certain. An unexpected rate hike next week would hurt small caps more than large, so no surprise small-cap's April through June advance has stalled in July. No panic yet, since retreating bonds and gold have made equities a last refuge of sorts, but there is a lot of rotation. Recent rate hikes in Europe and Japan made international stocks less attractive, favoring US stocks during the ceasefire. When that ended, the prospect of rising US rates led to second thoughts about small-caps. Also, uncertainty over the impact of AI on job growth, and over the new revised US tariff regime remains. The larger issues of taxation, fiscal spending, and the debt ceiling, however, are settled, and the new favorable corporate tax regime is kicking in now. The Federal deficit remains outsized, although tariffs are reducing it slightly. Those bullish markers are getting a little long in the tooth, however. **NOTE: IWM is on the cusp of a stop-loss confirmed by a breakdown in its 50-day. It could cause three of our models to switch out next week. The FOMC is an added complication, of course, and could exacerbate volatility.**

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 Sectors:
Oil Exploration, Transports, & Banks

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 remains broadly positive -- 85% of our sectors are buy or hold (L88%) with **BUYS steady at 44%** (L44%) and **HOLDS down to 41% (L44%). Avoids are up at 15% (L12%)**. Top performers this week: Oil Exploration, Oil Services and REITs. Worst: Medical Devices, Software *(Performance *working off a stop-loss, **working off a buy-stop.)*

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	54%	78%	bullish	42.9	0.56	positive	deteriorating
42%	US Oil Equip & Serv (IEZ)	24%	44%	neutral	53.1	-1.79	negative	improving
37%	Oil/Gas Expl & Prod (XOP)	31%	92%	very bullish	**65.3**	1.54	positive	improving
32%	US Technology (IYW)	16%	78%	bullish	41.9	0.55	positive	deteriorating
30%	Transports (IYT)	15%	105%	very bullish	55.2	1.84	positive	deteriorating
29%	US Pharmaceuticals (IHE)	20%	104%	very bullish	62.7	2.78	positive	deteriorating
25%	Industrials (XLI)	14%	85%	very bullish	57.7	0.84	positive	deteriorating
25%	KB Banks (KBE)	13%	104%	very bullish	56.7	2.05	positive	deteriorating
24%	US Health Providers (IHF)	15%	100%	very bullish	57.0	2.91	positive	deteriorating
21%	Select Materials (XLB)	13%	45%	neutral	53.1	-0.25	negative	deteriorating
20%	US Aerospace & Def (PPA)	11%	46%	neutral	55.5	-0.01	negative	deteriorating
16%	Biotechnology (IBB)	8%	82%	very bullish	53.6	2.50	positive	deteriorating
14%	**S&P 500 (SPY)**	**7%**	**74%**	**bullish**	**45.5**	**0.46**	**positive**	**deteriorating**
11%	KBW Insurance (IAK)	9%	100%	very bullish	62.4	2.47	positive	deteriorating
10%	Capital Markets (KCE)	3%	93%	very bullish	55.2	1.29	positive	improving
10%	REITs (VNQ)	9%	104%	very bullish	63.1	0.99	positive	improving
10%	Consumer Staples (XLP)	6%	75%	bullish	49.8	0.16	positive	deteriorating
9%	Food & Beverage (PBJ)	6%	61%	bullish	48.4	0.18	positive	improving
6%	Retail (XRT)	-1%	79%	bullish	48.4	1.17	positive	deteriorating
2%	Home Construction (XHB)	-2%	51%	neutral	50.5	0.59	positive	deteriorating
2%	Bitcoin (BLOK)	-4%	42%	neutral	44.0	-0.53	negative	deteriorating
2%	Utilities (XLU)	4%	53%	neutral	60.0	0.51	positive	improving
-1%	Telecommunications (FCOM)	-6%	22%	bearish	36.6	-0.62	negative	deteriorating
-1%	DJ Internet Index (FDN)	-5%	56%	neutral	37.7	0.06	positive	deteriorating
-5%	**CASH**	**-3%**	**5%**	**very bearish**	**44.4**	**-0.09**	**negative**	**deteriorating**
-7%	Media Portfolio (XLC)	-9%	4%	very bearish	37.1	-0.85	negative	deteriorating
-9%	Software (XSW)	-13%	66%	bullish	45.5	1.69	positive	deteriorating
-9%	Gold Miners (GDX)	-9%	10%	very bearish	47.3	-3.12	negative	improving
-30%	US Medical Devices (IHI)	-22%	15%	very bearish	49.7	0.25	positive	deteriorating

US Sector Top Performers: YTD (7/24/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
55.8%	**Semiconductors (SMH) ***	0.8%	-8.9%	-8.1%	23.4%	**44.5%**	**64.0%**	**96.6%**	**121.5%**
37.9%	Oil/Gas Expl & Prod (XOP)**	**2.3%**	7.3%	**9.6%**	3.7%	31.9%	42.2%	37.4%	22.5%
34.4%	US Oil Equip & Serv (IEZ)**	**3.4%**	-1.0%	**2.4%**	-3.7%	18.6%	55.1%	54.1%	24.1%
20.7%	US Pharmaceuticals (IHE)	1.4%	0.4%	1.9%	18.2%	17.9%	39.7%	50.5%	56.6%
18.2%	US Technology (IYW)*	-1.3%	-4.3%	-5.7%	14.3%	18.5%	20.2%	32.3%	58.3%
18.1%	Transports (IYT)	-1.3%	1.2%	-0.1%	10.2%	14.5%	25.3%	24.7%	36.4%
17.8%	US Health Providers (IHF)	-0.3%	-0.6%	-0.9%	**25.6%**	15.7%	13.1%	30.2%	6.4%
17.8%	Industrials (XLI)	**1.8%**	-1.4%	0.4%	7.2%	11.2%	20.9%	19.7%	48.8%
14.3%	KB Banks (KBE)	-1.3%	2.2%	0.9%	9.9%	11.1%	26.8%	19.6%	39.0%
13.9%	REITs (VNQ)	0.8%	2.8%	**3.6%**	5.9%	10.9%	11.3%	10.6%	18.9%

INTERNATIONAL MARKETS:
#8 GOLD Bounces Off 10-month Low

Gold Bullion: GLD rose 0.9% this week, after losing 2.3% last week. That left it very bearish and ranked 8 globally and less attractive than cash. The index is down 13.4% for the quarter (13 weeks), but up 21.0% for the year (52 weeks). At $371.90, GLD is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 44.8 means GLD is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Gold's bottomed in late-June and has bounced along the bottom since. An unexpectedly weak June jobs report and cool inflation date have reduced the likelihood of a near term Fed rate hike, but gold is actually looking for rate cuts and that likelihood is non-existent. Futures are 93% sure rates will be up by December. This week, oil prices interest rates and the Dollar are up once again and mitigating against gold. Next week's FOMC meeting is unlikely to see a rate hike, but it is possible at 32%. Recent rate hikes in Europe and Japan are making gold's prospects in a rising-rate-world appear dim. 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 Surge As US Sorties Intensify

Commodities A very bullish CRB rose 3.9% this week after gaining 5.3% last week. That left commodity prices up 3.4% for the quarter (13 weeks), and up 34.5% for the year (52 weeks). At $30.10, the CRB is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 65.7 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) rose 10.3% this week, following last week's gain of 14.0% and currently very bullish. That leaves US oil prices up 8.6% for the quarter (13 weeks), and up 81.6% for the year (52 weeks). At $136.69, USO is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 67.2 means USO is neither overbought nor oversold. A pricier Dollar this week makes foreign assets, commodities and gold less 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 rallied past $90 this week, pushing commodities up again as well as the US/Iran ceasefire remains broken. The US continues to hit hundreds of military targets and has resumed its blockade of Iranian ships.

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INTERNATIONAL EQUITIES:
#5 EUROPE’s Advance Slows

European Large-Cap Stocks: IEV fell 0.2% this week, after losing 0.1% last week. That left it bullish and ranked 5 globally and more attractive than cash. The index is up 3.4% for the quarter (13 weeks), and up 18.0% for the year (52 weeks). At $72.55, IEV is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 51.1 means IEV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a 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 but is lower since the US/Iran ceasefire ended, With oil prices pushing past $90 a barrel this week Europe remains vulnerable to an energy-driven stagflation shock should oil inflation persist. After raising rates in June, the ECB held rates steady in July but if Brent oil prices stay near $100, nat-gas prices rise, and wages accelerate, a September hike is likely. NOTE: A bearish Euro vs. Dollar keeps Europe (IEV +3) on a par with Europe’s hedged version (HEDJ +3) and weaker than the US market (VTI +6). Italy (EWI +12), Spain (EWP +8) are outperforming the US. Netherlands (EWN +6) and Ireland (EIRL +5), Britain (EWU +4), and Switzerland (EWL +2) are doing passably, while France (EWQ -0), Germany (EWG -4) and Denmark (EDEN-9 are struggling.

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

(Charts reprinted with permission from stockcharts.com.)

INTERNATIONAL EQUITIES:
#3 JAPAN Still Down Short-term

Japanese Stocks: EWJ rose 0.8% this week, after losing 4.3% last week. That left it bullish and ranked 3 globally and more attractive than cash. The index is up 5.3% for the quarter (13 weeks), and up 32.1% for the year (52 weeks). At $91.21, EWJ 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 45.4 means EWJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

EWJ gapped lower on a 25 bps BoJ rate hike effective June 16, and stocks remain below that level after five weeks, working off a stop-loss put in last week. Another Japanese rate hike is expected but not until December. With oil prices now above $90, a weakening Yen, resurgent wage growth, and above target inflation however, another rate hike could come sooner rather than later, a thought leaving equities less ebullient going forward. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ @13) of Japanese equities preferable to both the US (VTI@+6.0) and the dollar version of Japanese equities we track (EWJ @6).

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 Tries to Fight Off Stop-Loss

Asia-Pacific ex-Japan: AAXJ flattened (0.0%) this week, after losing 5.5% last week. That left it neutral and ranked 1 globally and more attractive than cash. The index is up 3.9% for the quarter (13 weeks), and up 32.7% for the year (52 weeks). At $109.86, AAXJ is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 41.3 means AAXJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Asia is still reeling from its tech woes. Semiconductors and tech got hammered last week (-9%) leaving Asia-Pacific as the worst regional performer we track. This week, semis improved but tech overall worsened so it ended a wash. A bullish strengthening Dollar, recent monetary tightening by Bank of Japan, and China-specific regulatory developments do not help Dollar investors in Asian equities. (Oil prices also rose past $90 this week exacerbating the energy situation.) AAXJ remains the top regional index choice based on six-month performance but has triggered a stop-loss. Even so, Asian equity markets (AAXJ @9) remain more attractive than US stocks (VTI +6). Taiwan (EWT +41) is still a standout along with South Korea (EWY +38). Singapore (EWS +13), and Australia (EWA +6) are doing passably. Hong Kong (EWH -1), China (FXI -13), and India (IMVP -15) lag the US and are struggling due to energy and US tariff issues.

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

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INTERNATIONAL EQUITIES:
#4 LATIN AMERICA Bumps Higher

Latin America 40: ILF rose 1.7% this week, after losing 1.3% last week. That left it bullish and ranked 4 globally and more attractive than cash. The index is down 5.8% for the quarter (13 weeks), but up 46.3% for the year (52 weeks). At $34.64, 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 53.8 means ILF is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Surging oil and commodity prices helped ILF back above its downward sloping 50-day this week, seemingly undeterred by a rise in the bullish US dollar and by recent monetary tightening by the Banks of Japan and Europe. With oil prices up four weeks in a row oil producers Mexico and Brazil are hanging tough. ILF's performance has been very volatile making the more diversified Emerging markets (EEM) a more attractive market timing choice. That is increasingly true with Latin equities even though they were up this week. (ILF +0) is no longer outperforming its US cousin (VTI +6) in Price-Performance vs cash. Colombia (COLO +4), Brazil (EWZ -1), Mexico (EWW -1), Argentina (ARGT -5) and Chile (ECH -16) are all lagging the US. Only Canada (EWC +6) 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 the 2nd Risk-OFF week after two MIXED-Risk weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds DOWN 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
31%	**(AOA) Aggressive Growth***	**6%**	**61%**	**bullish**	**43.4**	**0.04**	**positive**	**deteriorating**
10%	(AOM) Moderate Growth & Inc*	1%	50%	neutral	40.7	-0.19	negative	deteriorating

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
7.0%	**(AOA) Aggressive Growth**	-0.7%	-1.1%	**2.4%**	**5.3%**	**10.5%**	**15.2%**	**31.8%**
2.3%	(AOM) Moderate Growth & Inc	**-0.6%**	**-0.6%**	0.3%	1.8%	4.6%	8.5%	19.0%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
97.1%	(AOA) Aggressive Growth	95.45	95.80	97.96	98.68	82.40	96.99	91.66
97.5%	**(AOM) Moderate Growth & Inc**	48.72	48.83	49.95	50.10	45.61	49.46	48.06

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**17.9%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	7.0%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.3%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
US Strategy Moose	7.0%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
S&P Benchmark	**8.4%**	14.5%	24.5%	24.3%	-19.5%					

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 the 2nd Risk-OFF week after two MIXED-Risk weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds DOWN 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 assets still working off a buy-stop. It also leads in positive PMO. Technical strength is very bullish. NOTE: IWM touched a stop-loss this Friday but held above its 50-day right below. Waiting to confirm the stop-loss if it breaks below the 50-day next week.

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

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

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Momentum (MTUM)***	**21%**	83%	very bullish	44	0.37	positive	deteriorating
2	79%	US Small-Caps (IWM)	15%	85%	very bullish	46	0.83	positive	deteriorating
3	50%	US High Dividend (SPYD)	14%	**106%**	**very bullish**	63	**1.11**	**positive**	**improving**
4	46%	S&P Equal Weight (RSP)	10%	92%	very bullish	55	0.81	positive	deteriorating
5	40%	US Growth (IUSG)	7%	66%	bullish	42	0.26	positive	deteriorating
6	39%	US Fundamentals (QUAL)	7%	88%	very bullish	49	0.72	positive	deteriorating
7	37%	US Large-caps (SPY)	7%	74%	bullish	46	0.46	positive	deteriorating
8	36%	US Value (IUSV)	8%	93%	very bullish	58	0.76	positive	deteriorating
9	17%	US Low Volatility (SPLV)	6%	98%	very bullish	61	1.05	positive	improving
10	9%	Cash (SGOV)	2%	88%	very bullish	100	0.15	positive	deteriorating

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

PERFORMANCE: MTUM leads over 13, 26 and 39 weeks, and 3 years. Of assets working off a buy-stop IWM leads.

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	**22%**	**US Momentum (MTUM)***	**1.4%**	-6.1%	**13.3%**	**20.1%**	**21.8%**	28.4%	**62.2%**
2	18%	US Small-Caps (IWM)	-1.0%	-0.7%	8.1%	11.1%	19.8%	**29.9%**	36.6%
3	15%	US High Dividend (SPYD)	0.7%	2.2%	7.9%	11.9%	18.3%	16.8%	26.6%
4	11%	S&P Equal Weight (RSP)	0.1%	-0.4%	6.4%	8.0%	15.1%	15.4%	29.7%
5	9%	US Value (IUSV)	0.0%	0.4%	6.3%	7.4%	14.7%	17.7%	27.9%
6	9%	US Fundamentals (QUAL)	-0.5%	-0.8%	6.3%	7.4%	13.6%	17.5%	28.6%
7	8%	US Large-caps (SPY)	-0.6%	-1.5%	5.6%	7.6%	12.8%	17.8%	36.9%
8	8%	US Growth (IUSG)	-1.1%	-3.0%	5.1%	7.9%	11.8%	18.3%	44.0%
9	8%	US Low Volatility (SPLV)	0.8%	1.0%	4.3%	6.9%	8.8%	7.0%	19.4%
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 the 2nd Risk-OFF week after two MIXED-Risk weeks.
US Stocks DOWN, Foreign Stocks MIXED, Bonds DOWN and Gold UP

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

IWM leads in overall confidence among assets still working off a buy-stop. It also leads in positive PMO. Technical strength is very bullish. NOTE: IWM touched a stop-loss this Friday but held above its 50-day right below. Waiting to confirm the stop-loss if it breaks below the 50-day next week.

The best regional alternative this week is ILF which gave a buy-stop 7/22 and is rallying with the rise in oil prices due to war. That however may be temporary. The best Index alternative is US large caps (SPY) or Developed Markets (EFA).

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

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

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	**85%**	**US Small-caps (IWM)**	**85%**	**very bullish**	45.7	**0.83**	**positive**	deteriorating
2	80%	Emerging Markets (EEM)	55%	neutral	41.0	-0.57	negative	deteriorating
3	48%	Developed Markets (EFA)	77%	bullish	49.9	0.45	positive	deteriorating
4	40%	US Large-caps (SPY)	74%	bullish	45.5	0.46	positive	deteriorating
5	10%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	deteriorating
6	-18%	Gold Bullion (GLD)	10%	very bearish	44.8	-2.07	negative	improving
7	-30%	Very Long US Bonds (EDV)	0%	very bearish	32.8	-0.84	negative	deteriorating

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

YTD	FUND	07/24/26	07/17/26	13wk	26wk	39wk	52wk	3Y
18.3%	**US Small-caps (IWM)**	-1.0%	-0.7%	**6.3%**	**11.1%**	18.8%	**31.2%**	36.6%
15.8%	Emerging Markets (EEM)	0.1%	-5.4%	2.3%	4.9%	**19.1%**	30.7%	54.1%
8.4%	US Large-caps (SPY)	-0.6%	-1.5%	5.2%	6.8%	11.0%	17.3%	37.0%
7.7%	Developed Markets (EFA)	0.1%	-1.0%	3.4%	3.4%	13.5%	20.2%	39.5%
0.3%	Short US Income (SGOV)	0.1%	**0.1%**	0.9%	1.8%	2.8%	3.9%	8.8%
-6.2%	Gold Bullion (GLD)	**0.9%**	-2.3%	-13.4%	-24.8%	-1.4%	21.0%	**64.7%**
-6.4%	Very Long US Bonds (EDV)	-2.1%	-0.1%	-4.0%	-4.7%	-11.1%	-1.0%	-10.1%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**17.9%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	7.0%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.3%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%

INVESTMENT STRATEGIES:
THE THRIFT SAVINGS PLAN TIMING MODEL

TSP Momentum & Performance

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

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

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

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

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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)***	14%	65%	bullish	44.8	0.08	positive	deteriorating
2	89%	US Small-caps (S)	10%	86%	very bullish	44.3	0.66	positive	deteriorating
3	75%	Lifetime 2060	10%	73%	bullish	44.7	0.35	positive	deteriorating
4	62%	Lifetime 2050	8%	73%	bullish	44.7	0.30	positive	deteriorating
5	56%	US Large-caps (C)	7%	80%	bullish	45.2	0.46	positive	deteriorating
6	54%	Lifetime 2040	7%	73%	bullish	44.9	0.28	positive	deteriorating
7	43%	Lifetime 2030	6%	72%	bullish	45.5	0.26	positive	deteriorating
8	22%	Long-term Inc (L)	3%	79%	bullish	47.3	0.21	positive	deteriorating
9	3%	Short-term Inc (G)	**0%**	101%	very bullish	100.0	0.18	positive	deteriorating
10	-11%	Fixed Income (F)	-2%	16%	very bearish	37.6	-0.15	negative	deteriorating

TSP Lifetime & Index Funds: Performance Progression

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

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**US Small-caps (S)**	-0.9%	-1.3%	**8.5%**	8.5%	16.2%	19.1%	**13.5%**	35.3%
2	International Fund (I)	-0.1%	-2.0%	3.6%	**10.3%**	**21.3%**	**24.8%**	13.4%	**44.7%**
3	Lifetime 2060	-0.5%	-1.7%	6.5%	8.4%	16.8%	20.1%	11.1%	39.4%
4	Lifetime 2050	-0.4%	-1.4%	5.4%	7.2%	14.2%	17.3%	9.4%	33.9%
5	US Large-caps (C)	-0.6%	-1.5%	8.0%	7.0%	14.1%	17.4%	9.0%	36.7%
6	Lifetime 2040	-0.4%	-1.2%	4.9%	6.6%	12.9%	15.7%	8.6%	30.8%
7	Lifetime 2030	-0.3%	-0.9%	4.1%	5.6%	10.9%	13.3%	7.2%	26.6%
8	Long-term Inc (L)	-0.1%	-0.4%	2.6%	4.0%	7.0%	8.7%	4.8%	17.0%
9	Short-term Inc (G)	0.1%	0.1%	1.3%	2.4%	3.5%	4.4%	2.5%	9.0%
10	Fixed Income (F)	-0.7%	0.1%	-1.0%	-0.7%	0.0%	3.0%	-0.4%	7.6%

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

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**11.1%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	9.4%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	8.6%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	7.2%	15.6%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%
TSP Moose	7.1%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%

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

MOVING THE INFLATION GOAL POSTS?

The Bureau of Economic Analysis (BEA) announced methodological changes to the Personal Consumption Expenditures (PCE) price index (the Fed's preferred inflation gauge) in late June 2026. These will be implemented in the annual GDP revisions released at the close of the fiscal year, September 30, 2026, and applied retroactively (typically back to 2021).

The changes target three specific subcategories within core PCE (which excludes food and energy) and aim to address technical flaws in how price changes are measured. Analysts (e.g., Goldman Sachs, JPMorgan) estimate they will lower current core PCE inflation readings by roughly 0.1–0.2 percentage points on net (e.g., potentially revising May 2026's 3.4% y/y down to around 3.2–3.3%).

The Metrics and Changes

1. **Portfolio management and investment advice services**
    - **Current issue**: The price measure often tracked asset performance (e.g., stock market gains), so a fixed fee (like 1% of assets) appeared as higher "prices" when portfolios rose, even though the actual service quantity increased. This mixed up price and quantity changes.
    - **Change**: Shift to an indirect measure—use BLS payroll/employment survey data for real service volume (e.g., hours worked), then back out prices from nominal spending. This better reflects underlying service costs rather than market volatility.
2. **Computer software and accessories**
    - **Current issue**: Relied heavily on a CPI index that didn't fully align with PCE categories (e.g., mismatches in software vs. physical accessories, limited quality adjustments for rapid tech improvements like AI features).
    - **Change**: Adopt a composite price index blending relevant CPI and PPI data (e.g., PPI for data processing, video game software, hosting/IT infrastructure). This improves consistency and accounts for diverse products.
3. **Legal services**
    - **Current issue**: CPI data for legal services has been volatile/erratic recently (and sometimes unavailable or inconsistent due to BLS data collection challenges), with large swings not corroborated by other sources.
    - **Change**: Use specific Producer Price Index (PPI) components for legal services instead of (or in a composite with) CPI. This has already been applied selectively in some months (e.g., January/March 2026 adjustments lowered reported inflation).

BEA's Rationale

These are technical improvements to make the PCE index more accurate and reflective of actual price dynamics over time, rather than data artifacts or mismatches. For example:

- Portfolio management should measure service consumption, not asset returns.
- Software needs better alignment across indexes and quality adjustments.
- Legal services data should avoid uncorroborated volatility.

BEA views these as standard refinements (common in annual revisions), not a fundamental overhaul. They should produce more reliable long-term inflation trends, though they come amid scrutiny of statistical agencies and Fed policy. Note that an earlier, smaller legal services data source tweak (PPI substitution in January 2026) already shaved ~0.1 pp off one month's core PCE and drew attention for limited disclosure. The upcoming broader changes build on efforts to address similar measurement challenges.

BEA argues these adjustments are defensible on methodological grounds. They are unlikely to structurally bias inflation lower indefinitely, but they will modestly ease reported figures in the current environment.

For official details, check BEA's upcoming September 30 release or related documentation/FAQs.