MOOSECALLS

Global Financial News & Analysis

0CT03.2025 through OCT12.2025

EXECUTIVE SUMMARY: 0CT03, 2025

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)

It was the 1st Risk-ON week after 1 Risk-OFF: US Stocks UP Foreign Stocks mostly UP, Bonds UP, and Gold UP.

Uncle Sam Takes a Break

The Federal government ran out of money and had to (partially) shut down this week when the Senate failed to pass a continuing resolution that would have kept things open until the new year. US equities seemed to like the closure with US small caps (+1.9%) leading large caps (+1.1%) higher. US long bonds (+1.2%) also resumed their post-rate-cut rally, helped by a very weak private sector jobs report. As the 10-yr yield fell to 4.12%, the cash yield held steady at to 3.86%. Foreign equities were mostly up as well. Latin America (-0.9%) was the exception, Asia-Pacific ex-Japan (+3.4%), Europe (+3.2%) and Japan (+1.7%), and all gained ground. A negative Dollar (-0.4%) helped gold (+3.1%) and foreign equities, but it wasn't enough to save Oil (-6.9%) and commodities (-1.9%). The Models: No change.

GLOBAL OUTLOOK HOLDS IN NEUTRAL (2 of 4). The Baltic Dry Index is higher in the past quarter (13 weeks), along with oil prices. Copper prices, and US bond yields, however, are lower, a negative sign for world growth.

INFLATION: PCE inflation closer to 3% than 2% per annum but not expected to surge. August Import prices yr-on-yr (+0.0%) say no tariff induced US inflation yet. Meanwhile, the weak Dollar has demand for US exports and export prices (+3.4%) rising.

US ECONOMIC DATA: Poor. Private sector jobs contracted in September, but job openings improved. The government shut-down delayed jobs data. Current Q3 GDP Now at +3.8% above post-war trend. Recession probability negligible. Next week: No Federal data unless government reopens.

FEDERAL RESERVE: Fed Posture this week Dovish. The Fed's balance sheet stands at $6.59 trillion, with the Fed Funds Rate cut to 4.00-4.25%. Quantitative tightening continues. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >50-50) is expected in October (96%).

INVESTMENT STRATEGIES: **The Index Model** is outperforming all competitors in 2025. It switched back into gold (GLD) from EFA via buy-stop on August 28. The **US Equity Strategy (USES) Model** holds Growth (IUSG), as US stocks play catch up with foreign equities due to tariffs and a tight Fed. The **Thrift Savings Plan (TSP) Model** is lagging the most aggressive balanced portfolios. It HOLDS international equities (Fund I) since early May.

GLOBAL OUTLOOK: NEUTRAL (2 of 4)

Indications remain neutral for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index fell to 1901 this week, and is higher after 13 weeks—a positive** trend. (After opening 2023 at 1515, the BDI is still well below its 2010 peak at 4640.)

Meanwhile, another proxy for world activity, **WTI oil price at 60.88 fell this week, and is lower for the latest quarter—a negative** sign. (Oil remains below its 2022 peak at $130, but well above its 2020 Covid lows at $10.)

Our proxy for global construction, **copper, rose to 5.11 this week, and remains higher this quarter—a positive** trend.

Domestically, **10-year US bond yields fell to 4.12% this week and are down over the past 13 weeks—a negative** bet on the largest world economy.

IMF World Economic Outlook (APR 2025)—

Global growth was stable yet underwhelming through 2024 and was projected to remain so in the January 2025 World Economic Outlook (WEO) Update. However, the landscape has changed as a series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented, ending up in near-universal US tariffs on April 2 and bringing effective tariff rates to levels not seen in a century. This on its own is a major negative shock to growth. The unpredictability with which these measures have been unfolding also has a negative impact on economic activity and the outlook and, at the same time, makes it more difficult than usual to make assumptions that would constitute a basis for an internally consistent and timely set of projections.

As of April 4, 2025, global growth is projected to drop to 2.8% in 2025 and 3% in 2026—down from 3.3% for both years in the January 2025 WEO. Growth in advanced economies is projected to be 1.4 percent in 2025 and 1.6% in 2026. In emerging market and developing economies, growth is expected to slow down to 3.7% in 2025 and 3.9 percent in 2026. Among advanced economies, growth in the United States is expected to slow to 1.8 percent in 2025, a pace that is 0.9% lower relative to the projection in the January 2025 WEO Update, on account of greater policy uncertainty, trade tensions, and softer demand momentum. 2025 growth in the euro area at 0.8% is expected to slow by 0.2%.

Global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January, reaching 4.3% in 2025 and 3.6% in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging market and developing economies in 2025.

GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose ETF Rankings through OCT12.2025

This week: Gold (GLD) leads in global momentum. The free 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*

RANK	CI	Description	TS	Trend	stop-loss	price	buy-stop
1	**100%**	**Gold (GLD)***	**113%**	**very bullish**	**326.19**	**357.64**	**358.67**
2	67%	Pacific ex-JAPAN stocks (AAXJ)	104%	very bullish	87.37	93.08	54.39
3	60%	Latin American stocks (ILF)	94%	very bullish	27.19	28.37	29.08
4	50%	Japanese stocks (EWJ)	88%	very bullish	79.64	81.78	82.04
5	45%	European stocks (IEV)	106%	very bullish	63.83	66.82	66.93
6	30%	US large-cap stocks (SPY)	106%	very bullish	647.22	669.21	672.68
7	27%	US small-cap stocks (IWM)	106%	very bullish	235.42	245.83	248.09
8	3%	Cash (SHY)	72%	--	82.77	82.79	83.09
9	-31%	US Long Treasuries (EDV)	-77%	very bearish	61.56	67.95	66.29
		Ryan/CRB Indicator	101%	no change			
		ST Interest Rate Equity Indicator	-7%	neutral			
		Volatility Index	-22%	neutral			
		US Dollar Index	-36%	slightly bearish			
		Commodity inflation trend	73%	bullish			
		Oil	8%	neutral			

Global Economy through OCT12.2025

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 GOLD Hits Yet Another Overbought High
Gold bullion's price is **very bullish** and ranked **1** globally, **more** attractive than cash. GLD **rose 3.1%** this week, following last week's **2.2% gain**. That leaves GLD **up 16.4%** for the quarter (13 weeks) **and up 46.0%** for the year (52 weeks).

#2 ASIA-PACIFIC Resumes Its Attack
Asia-Pacific ex-Japan equities are very bullish and ranked 2 globally and more attractive than cash. AAXJ rose 3.4% this week, following last week's 1.2% loss. That leaves AAXJ up 11.6% for the quarter (13 weeks) and up 14.8% for the year (52 weeks).

#3 LATIN AMERICA Fades From Overbought
Latin American equities are very bullish and ranked 3 globally, more attractive than cash. ILF fell 0.9% this week, following last week's 0.4% gain. That leaves ILF up 6.5% for the quarter (13 weeks) and up 8.9% for the year (52 weeks).

#4 JAPAN Gaps to New High
Japanese stock prices are very bullish and ranked 4 globally, more attractive than cash. EWJ rose 1.7% this week, following last week's 0.4% loss. That leaves EWJ up 9.6% for the quarter (13 weeks) and up 13.8% for the year (52 weeks).

#5 EUROPE Breaks Higher
European equities are very bullish and ranked 5 globally, more attractive than cash. IEV rose 3.2% this week, following last week's 0.2% loss. That leaves IEV up 5.4% for the quarter (13 weeks) and up 17.0% for the year (52 weeks).

#6 US LARGE-CAPS Post Yet Another Record
US large-cap stocks are very bullish and ranked 6 globally, more attractive than cash. SPY rose 1.1% this week, following last week's 0.3% loss. That leaves SPY up 7.0% for the quarter (13 weeks) and up 16.8% for the year (52 weeks). GROWTH is the top US equity strategy. This week's US equity sector breadth is positive and less bearish -- Top "Buys" include Bitcoin, Gold Miners, Semiconductors, Technology, Defense and Internet. Top "Avoids": Healthcare, Staples, Food & Beverages.

#7 US SMALL-CAPS Post A New Buy-Stop
US small-cap stocks are very bullish and ranked 7 globally, more attractive than cash. IWM rose 1.9% this week, following last week's 0.7% loss. That leaves IWM up 10.2% for the quarter (13 weeks) and up 12.2% for the year (52 weeks).

#8 CASH and 10Y T Yields Diverge— Cash is ranked 8th in the index model. The US Treasury 10-year yield finished the week 7 ticks lower at 4.12% and the 3-month yield was steady at 3.86%, leaving the yield curve positively sloped 26 basis points.

#9 BONDS Push Higher
US long zeros (25y+) are very bearish and ranked 9 globally, less attractive than cash. EDV rose 1.2% this week, following last week's 0.0% gain. That leaves long bonds up 3.6% for the quarter (13 weeks) but down 11.1% for the year (52 weeks).

COMMODITIES Hover Near Neutral
Commodities are bullish. The CRB Index fell 1.9% this week after last week's 2.0% gain. That left commodity prices down 0.2% for the quarter (13 weeks) and up 2.6% for the year (52 weeks). Meanwhile, neutral oil prices (USO) fell 6.9% this week, following last week's 4.8% gain. That leaves US oil prices down 4.6% for the quarter (13 weeks) and down 6.1% for the year (52 weeks).

DOLLAR Hits Resistance at 50-day
The US dollar is **slightly bearish**. It **fell 0.4%** this week, following last week's **0.6% gain**. That leaves it **up 1.9%** for the quarter (13 weeks) **but down 4.1%** for the year (52 weeks).

US ECONOMY: GOV'T DATA

PRIVATE SECTOR JOBS VANISH, JOB OPENINGS INCREASE

US Economy: week of 0CT03.2025

THIS WEEK: POOR. (BLS CLOSED FOR SHUTDOWN)

THE GOOD: SEP S&P Global U.S. Manufacturing PMI – Final (52.0) expanding and in line with prior. SEP S&P Global U.S. Services PMI – Final (54.2) up from previous. AUG JOLTs - Job Openings: (7.227M) up from previous. AUG Pending Home Sales (+4.0%) stronger than consensus and prior

THE BAD: WEEKLY EIA Crude Oil Inventories (+1.79M) build expands as oil prices fall. SEP ADP Employment Change (-32K) new private sector jobs unexpectedly contracting. SEP ISM Services (50.0%) below consensus and previous. SEP ISM Manufacturing Index (49.1%) contracting but less than expected. SEP Consumer Confidence (94.2) down from prior. SEP Chicago PMI (40.6) below consensus and prior. JUL FHFA Housing Price Index better than prior but still down. JUL S&P Case-Shiller Home Price Index (+1.8%) below forecasts and previous.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

AUG PCE INFLATION IN LINE; Q2 GDP 3.8%

US Inflation: week of 0CT03.2025

AUG PCE (+0.3%) up inline. (1yr: 2.7%)
AUG Core PCE (+0.2%) up inline (1yr: 2.9%)
Q2 GDP – E3: (+3.8%) revised substantially higher.
Q2 GDP Deflator – E3: (+2.1%) revised higher.
Q2 Current Account Balance: (-$251.3B) below forecasts and prior.

AUG CPI (+0.4%) in line, below prior (1 yr= +2.9%)
AUG Core CPI (+0.3%) in line above prior. (1 yr= +3.1%)
AUG PPI (-0.1%) cooler. (1 yr= +2.6%)
AUG Core PPI (-0.1%) cooler. (1 yr= +2.8%)
AUG Import Prices (+0.3%) warmer (1yr= +0.0%)
AUG Export Prices (+0.3%) warmer (1yr= +3.4%)

Q2 Employment Cost Index (+0.9%) in line with prior estimate.
Q2 Productivity-Rev. (3.3%) revised higher beating consensus and previous.
Q2 Unit Labor Costs – Rev (+1.0%) revised weaker than consensus and previous.

US ECONOMY: RECESSION & GDP INDICATORS

NY FED: RECESSION THREAT STILL MINIMAL

US recession chances one year out: 28.84% (AUG 2026) per NY Fed. (Recession expected if chance > 30%.) As of May, 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. The official responsible for providing the erroneous jobs data was fired this month (8/3/25).

ATLANTA FED: US Q3 GDP NOW Above Trend At 3.8%

Atlanta Fed Current GDP Model (9/26/2025): **Q3 Annualized +3.8% (Last week: Q3 Annualized +3.9%)**

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.587T); FFR @ (4.00-4.25%)

Federal Reserve:
week of
0CT03.2025

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).

The Fed continues quantitative tightening but at a slower rate than in the first half of 2024. **Currently, the Fed's balance sheet is 6.608T, NC (+0.021T) in the latest week (OCT1.25). The Fed Funds Rate was lowered 25 BPS to 4.00-4.25% at the SEP17 FOMC meeting. The next meeting is OCT29.**

The Fed Check at 101% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.58%, however, is 46 bps BELOW the Fed overnight rate (4.12%), implying US domestic conditions merit at least two more Fed rate cuts. CME Fed futures are 100% sure there will be no Fed rate hikes this year.

As such, the next Fed rate cut per CME futures is expected in October (96%). The benchmark jobs revision (9/9) lowered the number of jobs created between 3/24 and 3/25 by 911K, cementing the notion of three 25 bps rate cuts (of which one already has been made) by year-end.

The 3m-10y yield curve flattened this week, going from a positive slope of 33 bps to one of 26 bps, as the 10-year US Treasury yield fell 7 bps to 4.12%, and the 3-month cash yield held at 3.86%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. **The median yield is falling, leaving our interest rate signal for stocks neutral.**

The 3-month SOFR yield at 4.20% is up this week, while the 3-month T-bill at 3.86% is down. That puts the SOFR/T-Bill (SOF-T) spread at 34 basis points, above its 200-day (16 bps). **A rising SOFR spread signals a riskier, less confident financial system.**

FED POSTURE THIS WEEK: DOVISH (+1) LW: DOVISH (+1)
Rate Posture: (Cutting) DOVISH (+1), Balance Sheet (Selling) HAWKISH, (-1), Fed Speak DOVISH (+1), Fed Check NEUTRAL (0)

Latest FOMC Assessment (2025.9.17) Recent indicators suggest that growth of economic activity moderated in the first half of the year. Job gains have slowed, and the unemployment rate has edged up but remains low. Inflation has moved up 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 have risen. 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 4 to 4-1/4 percent. In considering 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 will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. 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. **(Next FOMC meeting: 2025.10.29)**

US Currency Market:
DOLLAR Hits Resistance at 50-day

US Dollar: UUP fell 0.4% this week, following last week's 0.6% gain. It is currently slightly bearish—up 1.9% for the quarter (13 weeks), **but** down 4.1% in the last year (52 weeks). At 27, UUP is above its short-term (50-day) average at 27, and below its intermediate-term (200-day) average at 28. Momentum in the greenback is negative but improving, but RSI14 at 49 is neither overbought nor oversold. A Dollar weakened this week, dampening US assets over foreign assets, commodities, and gold. Longer term, the bearish Dollar dampens US investments, enhances foreign assets and commodities, and improves US trade competitiveness.

After bouncing off a 45-month intra-day low the day of the FOMC meeting (9/18), the Dollar ran into overhead resistance at the 50-day this week and stalled out. The Federal government shut-down this week complicated things coming as it did right before Jobs Friday and leaving the markets (and the Fed) in the dark regarding recent economic conditions. After nine months and no rate cuts, the greenback had corrected a hefty 11% in September. For now, the negative momentum appears to be slowing, as future rate cuts could stimulate growth. That may not help the Dollar much as Europe and Japan still have significantly easier monetary policies, and US tariffs are dampening our economic performance. In August, the weak Dollar made US exports more attractive abroad and juiced US export prices (+3.4%) while simultaneously making foreign imports less attractive and keeping imported inflation in check (0.0%). As for other major currencies vs. the Dollar: the **Euro** is very bullish and up 0.2% this week. The **Yen** is neutral and up 1.4%. The **Pound** is slightly bullish and up 0.4%. The **Canadian Dollar** is neutral and down 0.2%. The **Australian Dollar** is very bullish and up 0.7%.

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Carry-trade This Week

Non-Dollar investors seeking to maximize profits using the Moose should incorporate a "carry-trade" currency strategy into the decision, making it a two-step process. First, decide if it makes sense to switch to US Dollars, then use the Moose to identify the best ETF in which to put them. (Generally, if one's currency is weakening (bearish) against the Dollar, non-Dollar investors in the Moose will outperform. If a currency is bullish vs. the Dollar, the Dollar investment will underperform. If the Dollar is weakening, Dollar investors in the Moose might consider currency-hedged foreign equity ETFs instead of the Dollar denominated funds we track. A strengthening Dollar, however, suggests they be avoided.

	TS	Trend	Non-Dollar investors in $ Moose	US $ investors in Foreign Assets
Euro	85%	very bullish	Euro investors underperform	US$ investors (IEV>HEDJ)
Yen	-18%	neutral	Yen investors match	US$ investors (DXJ>EWJ)
Australian $	85%	very bullish	Aussie $ investors underperform	US$ Investors outperform in A$
British Pound	42%	slightly bullish	Sterling investors underperform	US$ investors outperform in Pound
Canadian $	16%	neutral	Canadian $ underperform	US$ investors outperform in C$

US Bond Market:
#9 BONDS Push Higher

US Long Treasury Bonds: EDV rose 1.2% this week, following last week's 0.0% gain, leaving it ranked #9 globally and less attractive than cash. Long bonds are up 3.6% for the quarter (13 weeks) **but** down 11.1% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield finished the week 7 ticks lower at 4.12% and the 3-month yield was lower at 3.86%, leaving the yield curve positively sloped 26 basis points. That reduces the odds of a recession in late 2025. Technically, US long bonds are very bearish and at 68, EDV is above its short-term (50-day) average at 67, and above its intermediate-term (200-day) average at 67. Momentum (PMO) is positive and neutral, and its 14-day RSI of 58 means EDV is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US bonds. Longer term, the bearish Dollar inhibits investment in US assets but improves US trade competitiveness.

Bond prices peaked before the FOMC rate decision (9/18) and then slipped back in its wake as predicted. They stabilized ahead of this week's expected weak jobs number, but the Federal shut-down foiled those plans and negative ADP job growth became the only game in town. We could be about to find out whether it is better to have no government economic data, or regular, but unreliable and often revised economic data. EDV does remain above both its 50 and 200-day moving averages for the first time since before the tariff announcements in April and is no longer overbought. (Latest Import/Export price data show no year-on-year import price inflation (0.0%) from tariffs.) Momentum in EDV is positive, suggesting some economic weakness is expected, but with EDV only 12% above its May bottom, it is still a bit early to bet on recession. The newly lowered overnight Fed Funds rate (4.12%) still roughly equal to the 10-year Treasury yield (4.12%), suggesting Fed money is still too expensive. Chairman Powell is expected to provide at least another 25 bps Fed rate cut (96%) at the next Fed meeting (10/29).

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 Post Yet Another Record

US Large-Cap Stocks: **SPY** rose 1.1% this week, following last week's 0.3% loss, leaving it ranked #6 globally and more attractive than cash. The index is up 7.0% for the quarter (13 weeks) **and** up 16.8% for the year (52 weeks). Technically, US large caps are very bullish and at 669, SPY is above its short-term (50-day) average at 652, and above its intermediate-term (200-day) average at 602. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 69 means SPY is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US stocks. Longer term, the bearish Dollar dampens investment in US assets but improves US trade competitiveness.

The S&P posted another new record high on Thursday before slipping back a bit. A five-month rally off April's "Liberation Day" low leaves SPY up 39% and PE's more expensive than they were during the tech boom (and crash). Good news is that large cap momentum remains positive, and improving with rate cuts, now that uncertainties regarding taxation, fiscal spending, and the debt ceiling have been legislated away. The Federal deficit remains bullishly large, although tariffs are reducing it slightly. A continuing resolution that would have extended the current profligacy failed when the Dems decided to demand another trillion in deficit spending on top of the 2 trillion in the CR. The subsequent shutdown was well received by equity investors, at least initially. Meanwhile, another Fed rate cut (10/29) looks likely (96%) and should keep large cap stocks on an upward path. It remains to be seen, however, if US equities, while saddled with the world's highest interest rates and new self-inflicted taxes on imports can overtake their foreign competition.

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:
#7 US SMALL-CAPS Post A New Buy-Stop

US Small-Cap Stocks: **IWM** rose 1.9% this week, following last week's 0.7% loss, leaving it ranked #7 globally and more attractive than cash. The index is up 10.2% for the quarter (13 weeks) **and** up 12.2% for the year (52 weeks). Technically, US small caps are very bullish and at 246, IWM is above its short-term (50-day) average at 234, and above its intermediate-term (200-day) average at 216. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 67 means IWM is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US assets. Longer term, the bearish Dollar inhibits investment in US assets but improves US trade competitiveness.

IWM posted another new record high on Friday to close the week, A five-month rally off April's "Liberation Day" low leaves IWM up 46% and PE's pricier than they were during the tech boom (and crash). Good news is that small cap momentum is positive, expecting more rate cuts, now that uncertainties regarding taxation, fiscal spending, and the debt ceiling have been legislated away. The Federal deficit remains bullishly large, although tariffs are reducing it slightly. A continuing resolution that would have extended the current profligacy failed when the Dems decided to demand another trillion in deficit spending on top of the 2 trillion in the CR. Meanwhile, another Fed rate cut is expected (96%) in October and should keep small cap stocks on an accelerated upward path. It remains to be seen, however, if US equities, while saddled with the world's highest interest rates and new self-inflicted taxes on imports can overtake their foreign competition.

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:
Bitcoin, Gold Miners, Semiconductors, Technology, Defense

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 breadth is positive and less bearish -- 89% of our sectors are buy or hold (L78%) with BUYS now 41% (L41%) and HOLDS now 48% (L37%). AVOIDS are currently 11% (L22%). Top "Buys" include Bitcoin, Gold Miners, Semiconductors, Technology, Defense and Internet. Top "Avoids": Healthcare, Staples, Food & Beverage.

TICKER	CI	NAME	SECTOR	TS	Manual Sort
BLOK	88%	Bitcoin (BLOK)	Tech	96%	very bullish
GDX	72%	Gold Miners (GDX)	Materials	99%	very bullish
SMH	60%	Semiconductors (SMH)	Tech	33%	slightly bullish
IYW	46%	US Technology (IYW)	Tech	98%	very bullish
PPA	37%	US Aerospace & Defense (PPA)	Industrial-Tech	98%	very bullish
FDN	30%	DJ Internet Index (FDN)	Tech	84%	very bullish
FCOM	29%	Telecommunications (FCOM)	Telecom	82%	very bullish
XRT	28%	Retail (XRT)	Consumer	83%	very bullish
XSW	27%	Software (XSW)	Tech	86%	very bullish
XLC	26%	Media Portfolio (XLC)	Consumer	84%	very bullish
KCE	25%	Capital Markets (KCE)	Financial	70%	bullish
SPY	**24%**	**S&P 500**	**BENCHMARK**	**96%**	**very bullish**
XLI	22%	Industrials (XLI)	Industrial	92%	very bullish
IBB	21%	Biotechnology (IBB)	Health-Tech	87%	very bullish
KBE	18%	KB Banks (KBE)	Financial	53%	bullish
IYT	17%	Transports (IYT)	Transportation	62%	bullish
XHB	17%	Home Construction (XHB)	Home Builders	43%	slightly bullish
XLU	13%	Utilities (XLU)	Utilities	89%	very bullish
IHE	12%	US Pharmaceuticals (IHE)	Health	73%	bullish
XOP	9%	Oil & Gas Exploration & Production (XOP)	Energy	50%	bullish
XLB	7%	Select Materials (XLB)	Materials	16%	neutral
IEZ	7%	US Oil Equipment & Services (IEZ)	Energy	39%	slightly bullish
VNQ	3%	REITs (VNQ)	Real Estate	8%	neutral
IHI	3%	US Medical Devices (IHI)	Health-Tech	-78%	very bearish
IAK	3%	KBW Insurance (IAK)	Financial	14%	neutral
SHY	**0%**	**CASH**	**BASELINE**	**62%**	**bullish**
PBJ	0%	Food & Beverage (PBJ)	Consumer	-87%	very bearish
XLP	-3%	Consumer Staples (XLP)	Consumer	-95%	very bearish
IHF	-5%	US Health Care Providers (IHF)	Health	10%	neutral

INTERNATIONAL MARKETS:
#1 GOLD Hits Yet Another Overbought High

Gold Bullion: GLD's price rose 3.1% this week, following last week's 2.2% gain, leaving it ranked 1 globally and more attractive than cash. Most recently, GLD is up 16.4% for the quarter (13 weeks), **and** up 46.0% for the year (52 weeks). Technically, gold bullion (GLD) is currently very bullish and at 358, above its short-term (50-day) average at 327, and above its intermediate-term (200-day) average at 296. Its momentum (PMO) is positive and improving, and its 14-day RSI of 79 means GLD is wildly overbought. As for currency effects, the US Dollar weakened this week, improving return for dollar investors in gold bullion. Longer term, a bearish Dollar enhances returns to Dollar investors in gold.

Gold made a strong move the week of the Federal shut-down making a new intraday high on Thursday closing the week overbought at 358. Momentum is positive and improving with Powell expected to provide two more 25 bps Fed rate cuts before yearend, but RSI has been overbought for 5-weeks. Odds are (96%) the first will come at the next Fed meeting (10/29), More generally, gold continues to enjoy a US Dollar at a 45-month low, 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, not to mention a couple more rate cuts should keep gold headed higher. Traditional threats to bullion-- a possible global recession (as evidenced by a bullish bond market and falling yields) and/or an equity market panic (evidenced by margin calls that require investors to sell their best performers to cover) are not in evidence. NOTE: gold mining shares (GDX, GDMN) have been a better play than bullion of late. Just beware-- mining shares front-run the price of gold and are less predictable.

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INTERNATIONAL MARKETS:
COMMODITIES Hover Near Neutral

Commodities: A bullish CRB fell 1.9% this week after last week's 2.0% gain. That left commodity prices down 0.2% for the quarter (13 weeks), **and** up 2.6% for the year (52 weeks). At 299, the CRB is above its short-term (50-day) average at 299, and below its intermediate-term (200-day) average at 301. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 47 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, oil prices (USO) fell 6.9% this week, following last week's 4.8% gain, and are currently neutral. That leaves US oil prices down 4.6% for the quarter (13 weeks), **and** down 6.1% for the year (52 weeks). At 72, USO is below its short-term (50-day) average at 69, and below its intermediate-term (200-day) average at 74. The Dollar weakened this week, enhancing return for investors in hard assets. Longer term, the bearish Dollar is enhancing return for investors in commodities and oil.

Commodities backed off this week, following a 7% drop in oil. WTI crude oil has been stuck in the mid-to-low 60's for a couple of months. OPEC+ began increasing production by about 137,000 barrels per day in October easing the upward pressure on oil prices this week. Rumors of peace between Israel and Hamas also helped quiet the oil market. A slowing economy has replaced inflation as the Fed's primary concern as evidenced by promises of two more rate cuts before year-end. That and the government shut-down delaying jobs data this week, and possibly inflation data next week should make things interesting. As the lights go out on US data, we have a 3.9% Q3 US GDP estimate and US core PCE inflation (+2.9%) pressuring commodity prices higher. On the other hand, we had negative private sector ADP job creation (-33K) in September. Commodities and bonds are back in global balance, with the Fed Check suggesting a neutral rate stance by the Fed. A rate cut in such conditions should generate price pressure in commodities.

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INTERNATIONAL EQUITIES:
#5 EUROPE Breaks Higher

European Large-Cap Stocks: **IEV** rose 3.2% this week, following last week's 0.2% loss, leaving them ranked #5 globally and more attractive than cash. Most recently, Europe is up 5.4% for the quarter (13 weeks) **and** up 17.0% for the year (52 weeks). Technically, IEV is very bullish at 67—above its short-term (50-day) average at 64, and above its intermediate-term (200-day) average at 61. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 69 means IEV is neither overbought nor oversold. As for currency effects, the Euro strengthened this week, enhancing returns for dollar investors. Longer term, a bullish Euro enhances return to Dollar investors, but limits Europe's trade competitiveness.

European momentum got new life this week, breaking out of a two-month funk. European stocks have gone from first to last offshore but they are still outperforming their US cousins. Fear about the US economy weakening, along with new US tariffs that threaten European exports are weighing on European equities. Hope is the September Fed rate cut (and the promise of two more), will spark the long-awaited US economic revival. Meanwhile, the European Central Bank kept its benchmark rate steady at 2% in September-- allowing the EU to maintain a significant monetary advantage over the US, which now has 4.125% Fed rate— keeping EU investing in the US extremely attractive given the strong Euro and European borrowing costs that are half potential US returns. (A very bullish Euro vs. Dollar keeps IEV outperforming the hedged version (HEDJ) 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:
#4 JAPAN Gaps to New High

Japanese **Stocks: EWJ** rose 1.7% this week, following last week's 0.4% loss, leaving it ranked #4 globally and more attractive than cash. Most recently, Japan is up 9.6% for the quarter (13 weeks) **and** up 13.8% for the year (52 weeks). Technically, EWJ is very bullish at 82, above its short-term (50-day) average at 79, and above its intermediate-term (200-day) average at 73. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 63 means EWJ is neither overbought nor oversold. As for currency effects, the Yen weakened this week, dampening return for dollar investors in Japanese stocks. Longer term, a bearish Yen dampens return to Dollar investors but improves Japan's trade competitiveness.

Japanese equities gapped higher as the LDP named a new leader, putting her in line for PM. Sanae Takaichi is viewed as more expansionary in fiscal and monetary policy, an Abenomics-style leader that will help equities. Positive earnings from Japan's tech heavy-weights, and the expectation of two more Fed rate cuts have all been bullish for Japanese stocks. Bank of Japan held its interest rate at 0.5% this week, as Japanese headline inflation has improved but is still above the Bank of Japan's 2% target for a third straight year. Bond yields are rising and a BoJ rate hike in October is on the table also boosting equities. Meanwhile, the low Bank rate gives Japan and EWJ a significant advantage over the US, which has a 4.125% Fed rate through October. A previously bullish Yen is fading to neutral vs. the Dollar these days, and the hedged version (DXJ) of Japanese equities is only marginally outperforming EWJ as momentum is turning back toward a traditional weak yen policy.

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:
#2 ASIA-PACIFIC Resumes Its Attack

Asia-Pacific ex-Japan: **AAXJ** rose 3.4% this week, following last week's 1.2% loss, leaving it ranked #2 globally and more attractive than cash. The index is up 11.6% for the quarter (13 weeks) **and** up 14.8% for the year (52 weeks). Technically, AAXJ is very bullish and at 93, above its short-term (50-day) average at 88, and above its intermediate-term (200-day) average at 79. Its momentum (PMO) is positive and improving, and its 14-day RSI of 73 means AAXJ is overbought. As for currency effects, the US Dollar weakened this week, improving return for dollar investors in Asian stocks. Longer term, a bearish Dollar enhances return to Dollar investors in Asian stocks but reduces the region's trade competitiveness.

Asian stocks reversed higher this week, wiping out last week's loss and resuming an overbought condition. The prospect of two more Fed rate cuts, and a weak Dollar are a positive for Asian stocks, but the tariff situation is mixed. The tariff reduction outlook for the BRICS is bleak at the moment. China's temporary 30% tariff deal was extended for 90 days on 8/12, and India is facing 50% tariffs on two-thirds of its exports to the US for buying Russian oil. Taiwan is facing 20% but is in bilateral talks with the US. Equities in all three have been picking up on the Fed dovishness as the bullish region presses for new highs. Most Asian equity markets are still better than cash. South Korea (EWY +54), Taiwan (EWT +38), Hong Kong (EWH +23), Singapore (EWS +24), and Australia (EWA +17) have the highest relative strength. China (FXI +17). and India (PIN -1) are lagging.

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:
#3 LATIN AMERICA Fades From Overbought

Latin America 40: ILF fell 0.9% this week, following last week's 0.4% gain, leaving it ranked #3 globally and more attractive than cash. The index is up 6.5% for the quarter (13 weeks) **and** up 8.9% for the year (52 weeks). Technically, ILF is very bullish and at 28, ILF is above its short-term (50-day) average at 27, and above its intermediate-term (200-day) average at 25. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 58 means ILF is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, enhancing return for dollar investors in Latin stocks. Longer term, a bearish Dollar enhances return to Dollar investors in Latin stocks but reduces the region's trade competitiveness. It also makes repaying dollar-denominated debt tougher.

After 5 consecutive weekly highs ILF rolled over and pulled back from last week's overbought condition. The prospect of two more Fed rate cuts this year, along with a weak Dollar are good for Latin stocks, and the tariff situation is less of problem than for US consumers and business. As a result, Latin stocks have outperformed their US cousins for nine months and continue to do so. Mexico (EWW +23), Colombia (COLO +18), Brazil (EWZ +15) and Chile (ECH +7) are relatively strongest. Only Argentina (ARGT -16) is bearish. Even Canada (EWC +24) which is not in ILF, but a key player on the continent outperforms the US total stock market (VTI +23), 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	25 YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016
Index Moose	**69.7%**	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%	-6.0%
Aggressive G&I (AOA)	15.6%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%	3.5%
S&P Benchmark	14.2%	24.5%	24.3%	-19.5%						
US Strategy Moose	10.3%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%	-5.6%
Moderate G&I (AOM)	9.6%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%	5.3%

The Index Model is outperforming all competitors in early 2025 after lagging buy-and-hold in 2024.
US Strategy Model outperformed all competitors in 2024 but is slightly behind the S&P in 2025.
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.

The US Equity Strategy (USES) Model
TOP US Equity Strategy: SWITCH to US GROWTH (IUSG)

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 first rate cut in the books, more rate cuts to come, US tariffs, and trillions in US federal deficit spending continuing through December (absent recissions), equities and hard assets appear to have solid future prospects.

THIS WEEK: Among US stock strategies, US Growth is best over 1 and 5 years, and Momentum over 3 years. US Equity Strategy Moose HOLDS Growth (IUSG) as of 9/24/2025 with SPY TS>0. USES model performance continues to lag the S&P but is gaining with time.

This was the 1st Risk-ON week after 1 Risk-OFF: US Stocks UP Foreign Stocks mostly UP, Bonds UP, and Gold UP.

RANK	CI	Fund	TS	Trend	stop-loss	price	buy-stop
1	**100%**	**US Growth (IUSG)**	**61%**	**bullish**	**158.81**	**165.08**	**166.17**
2	94%	US Momentum (MTUM)	58%	bullish	245.54	254.27	258.00
3	78%	Diversified: Aggressive (AOA)	61%	bullish	86.20	88.56	88.90
4	70%	US Benchmark (SPY)	63%	bullish	647.22	669.21	672.68
5	49%	Diversified: Moderate (AOM)	58%	bullish	46.98	47.61	47.76
6	41%	US Fundamentals (QUAL)	63%	bullish	189.10	196.47	197.50
7	34%	US Equal Weight (RSP)	59%	bullish	186.03	191.25	192.30
8	33%	US Value (IUSV)	59%	bullish	97.64	100.62	101.14
9	7%	US Short Term T-Bill (SHY)	26%	slightly bullish	82.77	82.79	83.09
10	2%	US Low Volatility (SPLV)	-16%	neutral	71.83	73.01	73.84
11	-7%	US High Dividend (SPYD)	-1%	neutral	43.28	44.28	44.98

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
MTUM top performer over 3 years, #1 IUSG leads over 1& 5

This week: US equities underperforming offshore stocks. Among US strategies, Momentum outperforms the S&P benchmark over 1 and 3 years. Growth outperforms over 5 years.

	Fund	1Y	3Y	5Y
1	US Momentum (MTUM)	26%	81%	73%
2	US Growth (IUSG)	27%	74%	106%
3	US Benchmark (SPY)	18%	56%	100%
4	US Fundamentals (QUAL)	10%	49%	89%
5	Diversified: Aggressive (AOA)	13%	39%	53%
6	US Equal Weight (RSP)	7%	35%	77%
7	US Value (IUSV)	6%	34%	85%
8	US High Dividend (SPYD)	-3%	27%	62%
9	US Low Volatility (SPLV)	2%	24%	36%
10	Diversified: Moderate (AOM)	6%	22%	16%
11	US Short Term T-Bill (SHY)	0%	2%	-4%

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 #1 Gold (GLD) via buy-stop after selling #2 EFA 8/28/25. GLD however is severely overbought and has been for weeks. If you own GLD, hold. If you do not own it, wait for a dip to buy in. A 9-10% correction (@319) would fill an unfilled gap from 9/2/25 in GLD and correspond to the price level at which the overbought condition first appeared.

This was the 1st Risk-ON week after 1 Risk-OFF: US Stocks UP Foreign Stocks mostly UP, Bonds UP, and Gold UP.

RANK	CI	Description	TS	Trend	stop-loss	price	buy-stop
1	100%	Gold (GLD)	113%	very bullish	326.19	357.64	358.67
2	64%	Emerging Markets (EEM)	108%	very bullish	50.63	54.23	54.39
3	46%	Europe-Australia-Far East (EFA)	105%	very bullish	91.53	95.08	95.265
4	30%	US large-cap stocks (SPY)	106%	very bullish	647.22	669.21	672.68
5	27%	US small-cap stocks (IWM)	106%	very bullish	235.42	245.83	248.09
6	3%	Cash (SHY)	72%	--	82.77	82.79	83.09
7	-31%	US Long Treasuries (EDV)	-77%	very bearish	61.56	67.95	66.29

Public Sector Strategies-- Thrift Savings Plan
TSP Moose v. TSP Lifetime Funds: Performance

Strategy	2025 YTD	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**19.0%**	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	16.5%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
TSP Moose	15.8%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2040	14.9%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	13.0%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%

Stocks are back. The TSP model is in international equities and competitive with Lifetime funds. Among buy-and-hold afficionados, the most aggressive Lifetime funds we track have replaced the more conservative allocations.

The Thrift Savings Plan Model
TOP TSP Model Move: HOLD International Equities (Fund I)

The Thrift Savings Plan, or TSP, is the government's 401K-style retirement plan. Millions of federal employees are invested in it, including several life-long friends here in the capital region. 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. Index targeting (using TSP Moose) outperformed diversified buy-and-hold (using TSP's lifestyle choices) in 2017, 2018 and 2020 and 2022, but it underperformed most buy-and-hold lifestyle funds in 2019, 2021 and 2023.

TSP THIS YEAR: Weak US stocks through January put the TSP model into cash in February helping us to avoid the March-April V-bottom caused by the tariff announcement. Exiting cash in late April for International stocks as foreign markets improved on the weaker Dollar has turned out to be the only switch since. With the first Fed rate cut (9/18) in the books and trillions in federal deficit spending continuing through December (absent recissions), equities appear to have solid future prospects.

TSP THIS WEEK: The TSP Timing Model is competitive with moderate Buy-and-Hold Lifetime Funds in 2025 but not the most aggressive. For buy and hold investors: Aggressive allocations are out-performing conservative portfolios. TSP Moose HOLDS International equities (Fund I) via CI since 4/29/25 (@45.54).

It was the 1st Risk-ON week after 1 Risk-OFF: US Stocks UP Foreign Stocks mostly UP, Bonds UP, and Gold UP.

	CI	Fund	Description	Strategy	Style	S-L	PRICE	B-S
1	**100%**	**I Fund***	**Internat stocks**	**Offshore Growth**	**Index**	**51.84**	**53.34**	**53.34**
2	72%	L 2060	Retire 2060	Very Aggressive Grwth	Diversified	20.47	20.92	20.92
3	63%	L 2050	Retire 2050	Aggressive Grwth	Diversified	39.93	40.66	40.66
4	60%	C Fund	Large-caps	G & I Equities	Index	105.25	107.14	107.14
5	58%	L 2040	Retire 2040	Aggressive G&I	Diversified	65.36	66.42	66.42
6	51%	L 2030	Retire 2030	Moderate G & I	Diversified	56.26	57.02	57.02
7	47%	S Fund	Small-caps	Growth Equities	Index	99.24	101.49	101.70
8	31%	L Inc	Long-term Inc	Maximum Income	Diversified	28.63	28.83	28.83
9	26%	F Fund	Fixed Income	US Bonds	Index	20.63	20.72	20.78
10	14%	G Fund	Short-term Inc	Cash equivalent	Index	19.35	19.39	19.39

***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*

Moospeak

SHUTTERING UNCLE SUGAR (LOL)

This week, rather than extend current spending through December 31st in order to allow time to finish up the debate on the FY 2026 budget, Democrats for the most part decided to vote Nay. The Senate thus came up 5 votes shy of passing a “clean” continuing resolution that Dems had previously voted to pass 13 times under Biden. The vote left Uncle Sam with no Congressionally authorized funding as of October 1, leading to a partial government shutdown

Essential services remain, but Uncle Sugar’s “non-essential” aspects are temporarily suspended, How long it will last is anyone’s guess. There have been 21 such shut-downs and the average duration is 8 days. The longest, however was during the Dems’ first Trump Resistance (2018-19) and lasted 35 days. Entering this weekend, we are at Day 3, and the Senate continues to hold daily votes to no avail.

For now, pay is suspended for roughly 2 million civilian federal workers (but not for Senators and Congressmen). About 750,000 “non-essentials” are ordered not to work, but about 62% (law enforcement, homeland security, TSA, air-controllers, etc.) are required to work without pay. Never fear, though. Despite the lower headcount, key programs will continue to function throughout.

The Social Security Administration will continue to issue retirement and disability benefits. Payments will likewise continue under the Medicare and Medicaid health programs. The Supplemental Nutrition Assistance Program, the nation's largest food aid program, and the Special Supplemental Nutrition Program for Women, Infants and Children, known as WIC, will continue operations as funds allow.

Post offices will be open. The US Postal Service is unaffected because it does not depend on Congress for funding.

Two million US military personnel, including National Guard patrolling some cities, will remain at their posts without pay until the shutdown ends. Agents at the FBI, the Drug Enforcement Administration, Coast Guard and other federal law enforcement agencies likewise will remain on the job.

Justice Department staffers who administer the immigration court system will largely stay on the job because Trump declared illegal immigration a national emergency. Border Patrol and immigration enforcement agents will stay at their posts, as would most customs officers, according to the Department of Homeland Security. TSA and air controllers will continue to keep air travel safe.

The services that will become temporarily unavailable include programs run by the National Park Service, including all tours at the US Capitol, the White House, FBI headquarters, the Supreme Court, the Library of Congress and the US Botanic Garden.

Federal grants issued by the Department of Health and Human Services, clinical trials operated by the National Institutes of Health and disbursements from the Department of Education, including Head Start, Pell Grants, and Federal Student Aid in general could be unavailable. Temporary Assistance for Needy Families program disbursements could briefly cease in some states while others may see trash collection and road repairs stop.

Usually, shut-downs are merely a political distraction in which the “Essentials” eventually get paid their back wages, and the “Non-essentials” get a paid vacation. The money spigot gets turned back on, and although the delay ends up costing the taxpayer extra (Time is still money), everyone expecting someone else’s money eventually gets it. The stock market tends to ignore them.

This President, disruptor that he is, however, may be about to toss the old shut-down playbook and use the Senate’s sudden abdication of its fiduciary responsibility over the purse strings as a rationale for the executive to step in, reduce the size and scope of government, reallocate, and realize some of the savings earlier identified by DOGE. That may just be a negotiating tactic, but the prospect is an appealing one to many, and if this week is any indication, US equity investors are among them.