MOOSECALLS

Global Financial News & Analysis
OCT24.2025 through NOV02.2025

EXECUTIVE SUMMARY: OCT24, 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 (2)

THIS WEEK was the 2nd Risk-ON week in a row: US Stocks UP Foreign Stocks UP, Bonds UP, and Gold DOWN.

Awaiting the Fed

Another positive week in the markets, as one would assume the week before a Fed rate cut. A 25 basis point cut next Wednesday, and the promise of another cut December 10 should round out the Fed's work this year. US small caps (+2.5%) led large caps (+1.9%) higher this week. Offshore, however, a stronger Dollar (+0.6%) kept foreign equities in check. Equities in Japan (+0.6%) and Europe (+0.6%) rose fractionally, while Asia-Pacific (+1.7%) and Latin America (+1.4%) also lagged the US. The post-rate-cut rally in US long bonds' (+0.5%) also continued. The 10-yr yield fell 1 bpt to 4.00%, and the cash yield dipped to 3.76% steepening the yield curve to 24 bps. Sanctions on Russian oil (7.4%) pushed commodity prices (+3.3%) higher, but gold (-2.9%) finally relieved its 7-week overbought condition. No change in the models.

GLOBAL OUTLOOK DETERIORATES TO VERY NEGATIVE (0 of 4). The Baltic Dry Index is lower in the past quarter (13 weeks), as well as oil and copper prices and US bond yields, all negative signs for world growth.

INFLATION: Inflation Week finally came, and consumer prices were cooler in September than expected and although still above the 2% Fed target, not expected to impact next week's rate cut. The COLA for 2026 is 2.8%. Russian oil sanctions spiked oil prices by 7%, but gold took an 8% header before finishing 3% down on the week.

US ECONOMIC DATA: Non-existent. Latest Q3 GDP Now (+3.9%) above post-war trend. August recession probability negligible. Next week: Federal data unavailable until government reopens.

FEDERAL RESERVE: Fed Posture this week more dovish as Fed stops rolling bonds off its balance sheet. The Fed's balance sheet stands at $6.59 trillion, with the Fed Funds Rate cut to 4.00-4.25%. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >50-50) is expected next week (98%).

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: NEGATIVE (0 of 4)

Indications are currently negative for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index fell to 1991 this week, and is lower after 13 weeks—a negative** trend. (After opening 2023 at 1515, BDI is still well below its 2010 peak at 4640.)

Meanwhile, another proxy for world activity**, WTI oil price at 61.50 rose this week, and is lower for the latest quarter—a negative** trend. (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 5.22 this week, and remains lower this quarter—a negative** trend.

Domestically, **10-year US bond yields fell to 4.00% 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 NOV02.2025

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)	97%	very bullish	350.87	377.52	403.30
2	61%	Pacific ex-JAPAN stocks (AAXJ)	108%	very bullish	88.82	94.46	55.21
3	59%	Latin American stocks (ILF)	107%	very bullish	27.16	0.00	29.05
4	56%	US small-cap stocks (IWM)	101%	very bullish	237.56	249.43	252.77
5	50%	US large-cap stocks (SPY)	105%	very bullish	652.84	677.25	678.47
6	47%	Japanese stocks (EWJ)	107%	very bullish	78.21	82.50	83.79
7	30%	European stocks (IEV)	105%	very bullish	64.84	66.75	66.93
8	2%	Cash (SHY)	101%	--	82.77	83.11	83.14
9	0%	US Long Treasuries (EDV)	102%	very bullish	61.56	70.38	66.29
		Ryan/CRB Indicator	103%	no change			
		ST Interest Rate Equity Indicator	-89%	very bearish			
		Volatility Index	0%	neutral			
		US Dollar Index	1%	neutral			
		Commodity inflation trend	64%	bullish			
		Oil	-26%	neutral			

Global Economy through NOV02.2025

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 GOLD Drops From Overbought-- Gold bullion's price is **very bullish** and ranked **#1** globally, **more** attractive than cash. GLD **fell 2.9%** this week, following last week's **5.4% gain.** That leaves GLD **up 22.8%** for the quarter (13 weeks) **and up 49.0%** for the year (52 weeks).

#2 LATIN AMERICA Rebound Continues-- Latin American equities (ILF) are **very bullish** and ranked **#2** globally, **more** attractive than cash. ILF **rose 1.4%** this week, following last week's **3.7% gain.** That leaves ILF **up 12.7%** for the quarter (13 weeks) **and up 13.7%** for the year (52 weeks).

#3 ASIA-PACIFIC Posts New High-- Asia-Pacific ex-Japan equities (AAXJ) are **very bullish** and ranked **#3** globally **and more** attractive than cash. AAXJ **rose 1.7%** this week, following last week's **4.4% gain.** That leaves AAXJ **up 10.5%** for the quarter (13 weeks) **and up 22.4%** for the year (52 weeks).

#4 US SMALL-CAPS Stay The Course—Up-- US small-cap stocks (IWM) are **very bullish** and ranked **#4** globally, **more** attractive than cash. IWM **rose 2.5%** this week, following last week's **2.4% gain.** That leaves IWM **up 11.2%** for the quarter (13 weeks) **and up 14.0%** for the year (52 weeks).

#5 JAPAN Gaps to New High Then Fills-- Japanese stock prices (EWJ) are **very bullish** and ranked **#5** globally, **more** attractive than cash. EWJ **rose 0.6%** this week, following last week's **4.6% gain.** That leaves EWJ **up 9.0%** for the quarter (13 weeks) **and up 22.7%** for the year (52 weeks).

#6 US LARGE-CAPS Push Higher-- US large-cap stocks (SPY) are **very bullish** and ranked **#6** globally, **more** attractive than cash. SPY **rose 1.9%** this week, following last week's **1.7% gain.** That leaves SPY **up 6.3%** for the quarter (13 weeks) **and up 17.0%** for the year (52 weeks). **GROWTH** is the top US equity strategy. US equity sector breadth is positive but slightly more bearish. **Top Sector "Buys"** include Bitcoin, Semiconductors, Gold Miners, Technology, Defense, Telecom, Software and Internet. **Top Sector "Avoids":** Staples, Healthcare Providers, Insurance

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#7 EUROPE Pushes the Envelope-- European equities (IEV) are **very bullish** and ranked **#7** globally, **more** attractive than cash. IEV **rose 0.6%** this week, following last week's **2.0% gain.** That leaves IEV **up 3.8%** for the quarter (13 weeks) **and up 19.5%** for the year (52 weeks).

#8 CASH and 10Y T Yields Down— Cash is ranked 8th in the index model. The US Treasury 10-year yield finished the week 1 tick lower at 4.00% and the 3-month yield was down 7 ticks at 3.76%, leaving the yield curve steeper and positively sloped at 24 basis points.

#9 BONDS Trigger Another New Buy-Stop-- US Long-zeros 25y+ are **bullish** and ranked **#9** globally, **less** attractive than cash. EDV **rose 0.5%** this week, following last week's **0.8% gain.** That leaves long bonds **up 8.8%** for the quarter (13 weeks) **but down 3.1%** for the year (52 weeks).

COMMODITIES Spike on Russian Oil Sanctions-- A **bullish** CRB **rose 3.3%** this week after last week's **0.2% gain.** That left commodity prices **up 0.2%** for the quarter (13 weeks) **and up 6.4%** for the year (52 weeks). Meanwhile, **neutral** oil prices (USO) **rose 7.6%** this week, following last week's **2.0% loss.** That leaves US oil prices **down 2.2%** for the quarter (13 weeks) **and down 1.4%** for the year (52 weeks).

UUP Retests 200-day Resistance-- The **neutral** US Dollar **rose 0.6%** this week, following last week's **0.5% loss.** That leaves it **up 2.6%** for the quarter (13 weeks) **but down 4.7%** in the last year (52 weeks).

US ECONOMY: GOV'T DATA

SEP Existing Home Sales Up

US Economy: week of OCT24.2025	**THIS WEEK: (GOVT DATA SHUT DOWN)** **THE GOOD**: SEP Existing Home sales (4.06M) better than expected, above previous.

THE BAD: WEEKLY EIA Crude Oil Inventories (-0.961M) build turns to draw as oil prices jump on Russia sanctions.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

SEP INFLATION COOLER, 2026 COLA 2.8%

US Inflation: week of OCT24.2025	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.

SEP CPI (+0.3%) below prior (1 yr= +3.0%)
SEP Core CPI (+0.2%) cooler than prior. (1 yr= +3.0%)
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: RECEDING MINIMAL RECESSION THREAT

US recession chances one year out: 27.41% (SEP 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 3.9%

Atlanta Fed Current GDP Model (10/17/2025): **Q3 Annualized +3.9% (Last week: Q3 Annualized +3.8%)**

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.589T); FFR @ (4.00-4.25%)

Federal Reserve:
week of
OCT24.2025

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).

After about two and a half years, the Fed will end quantitative tightening and stop reducing its balance sheet. Currently, the Fed's balance sheet is 6.589T, DOWN (-0.002T) in the latest week (OCT22, 2025). The Fed Funds Rate was lowered 25 BPS to 4.00-4.25% at the SEP17 FOMC meeting. The next FOMC meeting is next week-- OCT29.

The Fed Check at 103% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.48%, however, is 64 bps BELOW the Fed overnight rate (4.12%), implying US domestic conditions merit at least two more Fed rate cuts. The benchmark jobs revision (9/9) that lowered the number of jobs created between 3/24 and 3/25 by 911K reinforced that.

CME Fed futures have been 100% sure there will be no Fed rate hikes this year for eight months. They are 98% sure the next Fed rate cut is coming October 29, and 91% sure of a third rate cut December 10.

The 3m-10y yield curve steepened this week, going from a positive slope of 18 bps to one of 24 bps, as the 10-year US Treasury yield fell 1 bps to 4.00%, and the 3-month cash yield dropped 7 ticks to 3.83%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The median yield is still falling, leaving our interest rate signal for stocks very bearish.

The 3-month SOFR yield at 4.24% is down this week, while the 3-month T-bill at 3.76% is down. That puts the SOFR/T-Bill (SOF-T) spread at 48 basis points, above its 200-day average of 19 bps. A rising SOFR spread signals a riskier, less confident financial system.

FED POSTURE THIS WEEK: DOVISH (+2) LW: DOVISH (+2)
Rate Posture: (Cutting) DOVISH (+1), Balance Sheet (Steady) NEUTRAL, (0), 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:

UUP Retests 200-day Resistance

US Dollar: UUP rose 0.6% this week, following last week's 0.5% loss. It is currently neutral—up 2.6% for the quarter (13 weeks) but down 4.7% in the last year (52 weeks). At 28, UUP is above its short-term 50-day average at 28, and above its intermediate-term 200-day average at 28. Momentum in the greenback is positive and improving, but RSI14 at 59 is neither overbought nor oversold. A Dollar strengthened this week, enhancing US assets over foreign assets, commodities, and gold. Longer term, the bullish Dollar favors US investments over foreign assets and commodities, while reducing US trade competitiveness.

The Dollar (UUP) is retesting overhead resistance at the 200-day this week after a failed attempt ten days ago. While the Federal government shut-down continues to leave the markets (and the Fed) in the dark regarding recent economic conditions an exception was made this week to publish consumer inflation data and set the 2026 cost of living adjustment. It appears that Dollar price momentum turned positive and improved shortly before the government officially ran out of "other people's money" on October 1. Lately, Senate Democrats rejected a bill to pay the military which is normally a bipartisan vote and considered regular order. The administration in turn began reallocating funds away from Democratic socio-economic priorities to pay for defense and laying off non-essential government employees. With government being up to a third of US GDP these days, such cuts have the potential to weaken demand in the economy and by extension the Dollar. (Fortunately, a couple of future Fed rate cuts are expected to offset any weakness.) Problem is, Europe and Japan will still have significantly easier monetary policies, and US tariffs are already dampening our economic performance contributing to the overhead resistance we saw last week. As for other major currencies vs the Dollar, the Euro is slightly bullish and down 0.3% this week. The Yen is very bearish and down 1.6%. The Pound is neutral and down 0.9%. The Canadian Dollar is neutral and up 0.0%. The Australian Dollar is slightly bullish and up 0.1%.

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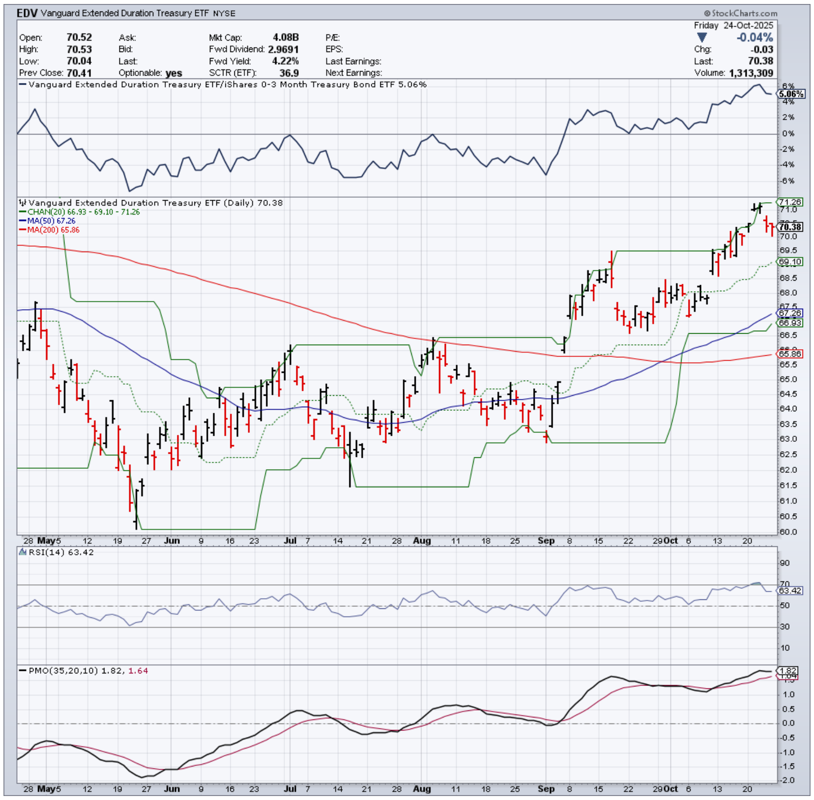
Carry-trade This Week

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	31%	slightly bullish	Euro investors underperform	US$ investors (IEV>HEDJ)
Yen	-76%	very bearish	Yen investors outperform	US$ investors (DXJ>EWJ)
Australian $	30%	slightly bullish	Aussie $ investors underperform	US$ Investors outperform in A$
British Pound	16%	neutral	Sterling investors match	US$ investors match in Pound
Canadian $	-22%	neutral	Canadian $ match	US$ investors match in C$

US Bond Market:
#9 BONDS Trigger Another New Buy-Stop



US Long Treasury Bonds: EDV rose 0.5% this week, following last week's 0.8% gain, leaving it ranked #9 globally and less attractive than cash. Long bonds are up 8.8% for the quarter (13 weeks) but down 3.1% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield finished the week -1 tick lower at 4.00%, and the 3-month yield was lower at 3.76%, leaving the yield curve positively sloped 24 basis points. That reduces the odds of a recession in late 2026. Technically, US long bonds are bullish and at 70, EDV is above its short-term (50-day) average at 68 and above its intermediate-term (200-day) average at 67. Momentum (PMO) is positive and improving, and its 14-day RSI of 63 means EDV is neither overbought nor oversold. As for currency effects, the Dollar strengthened this week, enhancing return for dollar investors in US bonds. Longer term, the bullish Dollar spurs investment in US assets while reducing US trade competitiveness.

A bullish but overvalued stock market continued to nudge investors toward bonds this week, even as a Fed rate cut appears to loom next Wednesday. EDV was actually overbought on Tuesday for the first time in a year and a half before pulling back. While the Federal government shut-down continues to leave the markets (and the Fed) in the dark regarding recent economic conditions, an exception was made this week to publish consumer inflation data and set the 2026 cost of living adjustment. The CPI came in cool on Friday but before that bond prices seemed to be betting on economic weakness with the government no longer dropping other people's money out of helicopters. 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. Momentum in EDV is positive, suggesting some economic weakness is expected, but it is still a bit early to bet on recession. The overnight Fed Funds rate (4.12%) is greater than the 10-year Treasury yield (4.01%), suggesting Fed money is still too expensive. Chairman Powell is expected to provide at least another 25 bps Fed rate cut (98%) 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 Push Higher

US Large-Cap Stocks: SPY rose 1.9% this week, following last week's 1.7% gain, leaving it ranked #6 globally and more attractive than cash. The index is up 6.3% for the quarter (13 weeks) and up 17.0% for the year (52 weeks). Technically, US large caps are very bullish and at 677, SPY is above its short-term (50-day) average at 660 and above its intermediate-term (200-day) average at 607. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 63 means SPY is neither overbought nor oversold. As for currency effects, the Dollar strengthened this week, enhancing return for dollar investors in US stocks. Longer term, the bullish Dollar spurs investment in US assets while reducing US trade competitiveness.

The large cap rally continued this week posting yet another new high in anticipation of next week's FOMC meeting and expected rate cut. Despite extended valuations, SPY has held unwavering 50-day support for going on six months. SPY is still up 38% since April and large cap momentum remains positive and improving ahead of two more rate cuts. 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. Government shutdowns normally don't affect the equity markets, but they also have never lasted more than a month or intruded on the Christmas season before. US equities are bullish but continue to underperform their offshore counterparts and It remains to be seen, if while saddled with the world's highest interest rates and new self-inflicted taxes on imports, they 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%).

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#4 US SMALL-CAPS Stay The Course-- Up

US Small-Cap Stocks: IWM rose 2.5% this week, following last week's 2.4% gain, leaving it ranked #4 globally and more attractive than cash. The index is up 11.2% for the quarter (13 weeks) and up 14.0% for the year (52 weeks). Technically, US small caps are very bullish and at 249, IWM is above its short-term (50-day) average at 241 and above its intermediate-term (200-day) average at 218. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 58 means IWM is neither overbought nor oversold. As for currency effects, the Dollar strengthened this week, enhancing return for dollar investors in US assets. Longer term, the bullish Dollar spurs investment in US assets while reducing US trade competitiveness.

A six-month small cap rally continues this week ahead of next week's FOMC meeting and expected rate cut. US small cap momentum turned positive in May and got a boost in August when the Fed flipped its focus to stimulating the economy. Small companies have less access to capital and benefit disproportionately from interest rate cuts. As such, small caps are up 42% since April. The uncertainties regarding taxation, fiscal spending, and the debt ceiling are legislated away, and the Federal deficit remains bullishly large, although tariffs are reducing it slightly. Government shutdowns normally don't affect the equity markets, but they also have never lasted more than a month or intruded on the Christmas season before. US equities are bullish but continue to underperform their offshore counterparts and It remains to be seen, if while saddled with the world's highest interest rates and new self-inflicted taxes on imports, they 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, Semiconductors, Gold Miners, 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 unchanged from last week -- 89% of our sectors are buy or hold (L89%) with BUYS now 41% (L44%) and HOLDS now 48% (L45%). AVOIDS are currently 11% (L11%). Top "Buys" include Bitcoin, Semiconductors, Gold Miners, Technology, Defense, Telecom. Top "Avoids": Food and Beverage, Staples, and Insurance.

TICKER	CI	NAME	SECTOR	TS	Manual Sort
BLOK	74%	Bitcoin (BLOK)	Tech	85%	very bullish
SMH	70%	Semiconductors (SMH)	Tech	33%	slightly bullish
GDX	49%	Gold Miners (GDX)	Materials	84%	very bullish
IYW	43%	US Technology (IYW)	Tech	88%	very bullish
PPA	32%	US Aerospace & Defense (PPA)	Industrial-Tech	84%	very bullish
FCOM	29%	Telecommunications (FCOM)	Telecom	87%	very bullish
IBB	25%	Biotechnology (IBB)	Health-Tech	97%	very bullish
FDN	25%	DJ Internet Index (FDN)	Tech	82%	very bullish
XRT	25%	Retail (XRT)	Consumer	68%	bullish
XSW	24%	Software (XSW)	Tech	82%	very bullish
XLC	24%	Media Portfolio (XLC)	Consumer	84%	very bullish
SPY	**23%**	**S&P 500**	**BENCHMARK**	**89%**	**very bullish**
IEZ	23%	US Oil Equipment & Services (IEZ)	Energy	21%	neutral
KCE	22%	Capital Markets (KCE)	Financial	27%	slightly bullish
XLI	20%	Industrials (XLI)	Industrial	77%	very bullish
IYT	18%	Transports (IYT)	Transportation	64%	bullish
XHB	17%	Home Construction (XHB)	Home Builders	16%	neutral
XLU	16%	Utilities (XLU)	Utilities	89%	very bullish
KBE	14%	KB Banks (KBE)	Financial	3%	neutral
IHE	13%	US Pharmaceuticals (IHE)	Health	88%	very bullish
XOP	12%	Oil & Gas Exploration & Production (XOP)	Energy	-27%	slightly bearish
XLB	8%	Select Materials (XLB)	Materials	4%	neutral
VNQ	6%	REITs (VNQ)	Real Estate	16%	neutral
IHI	5%	US Medical Devices (IHI)	Health-Tech	-25%	slightly bearish
IHF	3%	US Health Care Providers (IHF)	Health	45%	slightly bullish
SHY	**0%**	**CASH**	**BASELINE**	**88%**	**very bullish**
IAK	-2%	KBW Insurance (IAK)	Financial	-45%	slightly bearish
XLP	-2%	Consumer Staples (XLP)	Consumer	-71%	bearish
PBJ	-3%	Food & Beverage (PBJ)	Consumer	-70%	bearish

INTERNATIONAL MARKETS:
#1 GOLD Drops From Overbought

Gold Bullion: GLD's price fell 2.9% this week, following last week's 5.4% gain, leaving it ranked 1 globally and more attractive than cash. Most recently, GLD is up 22.8% for the quarter (13 weeks) and up 49.0% for the year (52 weeks). Technically, gold bullion (GLD) is currently very bullish and at 378, above its short-term 50-day average at 347, and above its intermediate-term 200-day average at 306. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 57 means GLD is neither overbought nor oversold. As for currency effects, the US Dollar strengthened this week, dampening returns for dollar investors in gold bullion. Longer term, a bullish Dollar dampens returns to Dollar investors in gold.

GLD had been overbought for 7 weeks before it took a two-day 8.4% header this week. PMO momentum remains positive but has dropped into neutral awaiting next week's FOMC meeting. A rate cut (98%) and a promise of another in December (91%) are expected at that meeting. If those expectations are met this week's correction will become a buying opportunity. If one or both are not met GLD could go lower-- worst case using gap-analysis is another 15% from here, but that is unlikely. Gold continues to enjoy a US Dollar within 4% of its 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. Traditional threats to bullion are not in evidence. Neither global recession (as evidenced by a very bullish bond market and falling yields) nor a severe equity market panic (evidenced by margin calls that require investors to sell their best performers to cover) is in evidence.

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INTERNATIONAL MARKETS:
COMMODITIES Spike on Russian Oil Sanctions

Commodities: A bullish CRB rose 3.3% this week after last week's 0.2% gain. That left commodity prices up 0.2% for the quarter (13 weeks) and up 6.4% for the year (52 weeks). At 303, the CRB is above its short-term 50-day average at 299, and above its intermediate-term 200-day average at 301. Its momentum (PMO) is positive and improving, and its 14-day RSI of 60 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, oil prices (USO) rose 7.6% this week, following last week's 2.0% loss, and are currently neutral. That leaves US oil prices down 2.2% for the quarter (13 weeks) and down 1.4% for the year (52 weeks). At neutral, USO is above its short-term 50-day average at 73, and above its intermediate-term 200-day average at 73. The Dollar strengthened this week, dampening returns for investors in hard assets. Longer term, the bullish Dollar is dampening returns for investors in commodities and oil.

Commodities rallied on stronger oil prices this week as the US sanctioned Russian oil. West Texas crude jumped above $60 a barrel after finally making it into the mid-50's last week. An OPEC+ production increase of about 137,000 barrels per day, a Phase 1 peace agreement between Israel and Hamas and the end of the summer driving season had quieted oil prices before the sanctions were re-established. CPI data suggests inflation cooled slightly in September, but at 3% is still hotter than the 2% Fed target. Next year's COLA is 2.8%. The government shut-down and slower spending will cool price pressures while it persists. Meanwhile, commodities and bonds are still in global balance, with the Fed Check suggesting a neutral rate stance by the Fed. Next week's rate cut in such conditions could generate price pressure in commodities.

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INTERNATIONAL EQUITIES:
#7 EUROPE Pushes the Envelope

European Large-Cap Stocks: IEV rose 0.6% this week, following last week's 2.0% gain, leaving them ranked #7 globally and more attractive than cash. Most recently, Europe is up 3.8% for the quarter (13 weeks) and up 19.5% for the year (52 weeks). Technically, IEV is very bullish at 67—above its short-term (50-day) average at 65 and above its intermediate-term (200-day) average at 62. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 61 means IEV is neither overbought nor oversold. As for currency effects, the Euro weakened this week, dampening returns. Longer term, a bullish Euro enhances return to Dollar investors but limits Europe's trade competitiveness.

European equities rallied for a second week, ending just shy of a new high. The rally comes ahead of next week's expected Fed rate cut. European equities had early spring momentum compared to other regions, but that advantage faded in summer as EU and UK tariff agreements came into focus. In early August, however, European momentum began to pick up on rumors that the Fed would finally begin cutting rates in Fall, sparking a long-awaited US economic revival. Meanwhile, the European Central Bank has kept its benchmark rate steady at 2% in October-- allowing the EU to maintain a significant monetary advantage over the US, which now has 4.125% Fed rate, at least until next week. — 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:
#5 JAPAN Gaps to a New High Then Fills

Japanese Stocks: EWJ rose 0.6% this week, following last week's 4.6% gain, leaving it ranked #5 globally and more attractive than cash. Most recently, Japan is up 9.0% for the quarter (13 weeks) and up 22.7% for the year (52 weeks). Technically, EWJ is very bullish at 83, above its short-term (50-day) average at 80 and above its intermediate-term (200-day) average at 74. Its momentum (PMO) is positive and improving, and its 14-day RSI of 57 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.

This week, EWJ gapped to a new high on Monday and proceeded to fill it by Wednesday as its rebound off its 50-day continued into a third week. This comes ahead of next week's expected Fed rate cut and the prospect of two more Fed rate cuts this year. New leadership in Japan has contributed to a volatile three weeks in Japanese equities after the LDP put Sanae Takaichi in line to be Japan's first woman PM. Takaichi was initially greeted with enthusiasm as the second coming of Abenomics, but the wheels came off (10/10) when Komeito ended its 26-year ruling coalition with LDP. This week (10/20) a new coalition partner (Ishin) came on board and EWJ jumped. Takaichi's administration is expected to implement expansionary fiscal policies, promoting a "high-pressure economy" fostered by continued accommodative monetary policy from the BoJ. Even though Japanese headline inflation is still above the Bank of Japan's 2% target for a third straight year, a long anticipated 25-basis-point rate hike has apparently been pushed back to early 2026, with immediate hikes now unlikely. Meanwhile, the dovish BoJ lending at 0.5% gives Japan and EWJ a significant advantage over the US, which has a 4.125% Fed rate through next Wednesday. For Dollar investors, a bearish Yen vs. the Dollar makes the hedged version (DXJ) of Japanese equities preferable to EWJ as political momentum turns 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:
#3 ASIA-PACIFIC Posts New High

Asia-Pacific ex-Japan AAXJ rose 1.7% this week, following last week's 4.4% gain, leaving it ranked #3 globally and more attractive than cash. The index is up 10.5% for the quarter (13 weeks) and up 22.4% for the year (52 weeks). Technically, AAXJ is very bullish and at 94, above its short-term (50-day) average at 90 and above its intermediate-term (200-day) average at 81. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 63 means AAXJ is neither overbought nor oversold. As for currency effects, the US Dollar strengthened this week, dampening return for dollar investors in Asian stocks. Longer term, a bullish Dollar dampens return to Dollar investors in Asian stocks but improves the region's trade competitiveness.

AAXJ's rebound off its 50-day continues into a third week, ahead of next week's expected Fed rate cut. The prospect of two more Fed rate cuts this year, along with a weak Dollar are boosting Asian stocks, The US-China tariff blow-up two weeks ago led to a 4%+ drop in Asia-Pacific stocks down to 50-day support. President Trump papered over 150% US tariffs on China that resulted from new Chinese export controls on US agriculture and rare earth minerals and the markets bought it. Elsewhere, India is facing 50% tariffs on two-thirds of its exports to the US for buying Russian oil and Taiwan is looking at a 32% tariff rate. Despite tariffs, equities in Asia have been picking up on the Fed dovishness as the bullish region presses for new highs. Several Asian equity markets are still more attractive than those in the US (VTI +22). Taiwan (EWT +66), South Korea (EWY +61), Hong Kong (EWH +25), Singapore (EWS +18), China (FXI +18), and Australia (EWA +10) have the highest relative strength. India (PIN -1) is 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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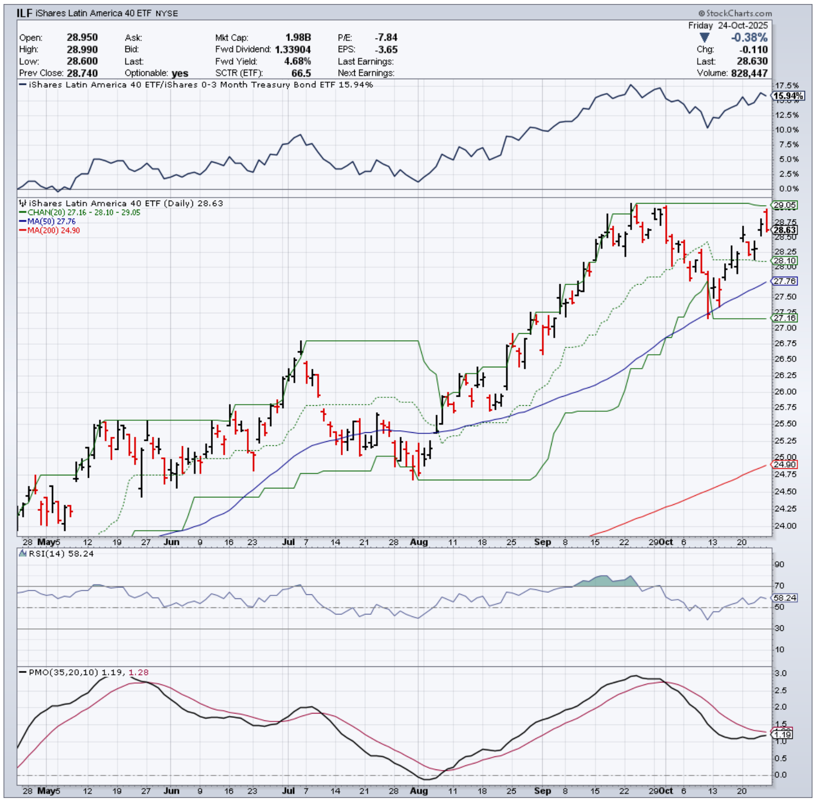
INTERNATIONAL EQUITIES:
#2 LATIN AMERICA Rebound Continues



Latin America 40: ILF rose 1.4% this week, following last week's 3.7% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 12.7% for the quarter (13 weeks) and up 13.7% for the year (52 weeks). Technically, ILF is very bullish and at 29, ILF is above its short-term (50-day) average at 28 and above its intermediate-term (200-day) average at 25. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 58 means ILF is neither overbought nor oversold. As for currency effects, the Dollar strengthened this week, dampening return for dollar investors in Latin stocks. Longer term, the bullish Dollar dampens return to Dollar investors in Latin stocks but improves the region's trade competitiveness. It also makes repaying dollar-denominated debt tougher.

ILF's rebound off its 50-day continues into a third week, ahead of next week's expected Fed rate cut. 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 a problem for Latin exporters than it is for US consumers and business. Latin stocks have outperformed their US cousins (VTI +22) for nine months but are fading lately. Colombia (COLO +27), Mexico (EWW +14), Brazil (EWZ +14) and Chile (ECH +8) are relatively strongest. Only Argentina (ARGT at -16) is bearish. Even Canada (EWC +19) which is not in ILF, but a key player on the continent continues to do well despite facing deadlock over 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	**89.1%**	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%	-6.0%
Aggressive G&I (AOA)	16.5%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%	3.5%
S&P Benchmark	15.6%	24.5%	24.3%	-19.5%						
US Strategy Moose	11.9%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%	-5.6%
Moderate G&I (AOM)	10.4%	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: HOLD 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 WEEK was the 2nd Risk-ON week in a row: US Stocks UP Foreign Stocks UP, Bonds UP, and Gold DOWN.

RANK	CI	Fund	TS	Trend	stop-loss	price	buy-stop
1	**100%**	**US Growth (IUSG)**	**53%**	**bullish**	**161.14**	**167.39**	**167.69**
2	95%	US Momentum (MTUM)	48%	slightly bullish	248.78	255.50	257.93
3	70%	US Benchmark (SPY)	54%	bullish	652.84	677.25	678.47
4	56%	Diversified: Aggressive (AOA)	56%	bullish	86.51	89.25	89.55
5	50%	US Fundamentals (QUAL)	54%	bullish	190.74	196.86	197.50
6	37%	US Equal Weight (RSP)	50%	bullish	185.09	191.26	192.30
7	37%	US Value (IUSV)	54%	bullish	97.95	101.57	101.82
8	32%	Diversified: Moderate (AOM)	57%	bullish	47.00	47.95	48.15
9	3%	US Short Term T-Bill (SHY)	53%	bullish	82.77	83.11	83.14
10	0%	US High Dividend (SPYD)	0%	neutral	42.58	43.96	44.47
11	0%	US Low Volatility (SPLV)	-28%	slightly bearish	71.92	72.40	73.55

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 catching up with offshore stocks. Among US strategies, Momentum outperforms the S&P benchmark over 3 years. Growth outperforms over 1&5 years.

	Fund	1Y	3Y	5Y
1	**US Momentum (MTUM)**	23%	**83%**	71%
2	**US Growth (IUSG)**	**24%**	76%	**104%**
3	US Benchmark (SPY)	16%	59%	98%
4	US Fundamentals (QUAL)	9%	48%	85%
5	Diversified: Aggressive (AOA)	14%	43%	51%
6	US Equal Weight (RSP)	7%	38%	71%
7	US Value (IUSV)	6%	38%	82%
8	US High Dividend (SPYD)	-4%	28%	55%
9	Diversified: Moderate (AOM)	8%	26%	16%
10	US Low Volatility (SPLV)	0%	24%	33%
11	US Short Term T-Bill (SHY)	1%	3%	-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 is no longer overbought. The 8.4% dip that occurred last week rebounded quickly to a 3% loss.

THIS WEEK was the 2nd Risk-ON week in a row: US Stocks UP Foreign Stocks UP, Bonds UP, and Gold DOWN.

	Fund	Description	CI%	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**GLD**	**Gold Bullion**	**100%**	**38%**	**115%**	**very bullish**	**57.5**	**4.45**	**positive**	**deteriorating**
2	EEM	Emerging Markets	57%	23%	111%	very bullish	62.5	1.81	positive	improving
3	IWM	US Small-caps	39%	20%	107%	very bullish	58.1	1.58	positive	deteriorating
4	EFA	Developed Markets	36%	14%	102%	very bullish	59.1	0.85	positive	improving
5	SPY	US Large-caps	34%	18%	101%	very bullish	62.7	0.99	positive	deteriorating
6	SGOV	Short Income	0%	0%	88%	very bullish	--	0.16	positive	deteriorating
8	EDV	Very Long Bonds	-5%	1%	110%	very bullish	63.4	1.82	positive	improving

Public Sector Strategies-- Thrift Savings Plan

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. **In 2025, the TSP** Timing Model is competitive with moderate Buy-and-Hold Lifetime Funds in 2025 but lags the most aggressive. For buy and hold investors: Aggressive allocations are out-performing conservative portfolios.

The TSP Model: HOLD International Equities (Fund I)

THIS WEEK was the 2st Risk-ON week in a row: US Stocks UP Foreign Stocks UP, Bonds UP, and Gold DOWN.
TSP Moose HOLDS International equities (Fund I) via CI since 4/29/25 (@45.54).

The Moose likes to dance with them that brung 'ya. Fund S is challenging for the #1 spot this week (10/24) with the highest confidence index and rate of change. The previous leader and incumbent, Fund I, however, still has the highest technical rating, non-overbought RSI, and Price Momentum. Since Technical strength, RSI and PMO are more current indicators (0-20 days) than ROC and CI% (130-155 days) and do not confirm the switch to Fund S, the TSP model sticks with Fund I. The fact that S Fund PMO is currently lower and deteriorating while I Fund PMO is higher and improving also played a role. No funds in the model are overbought or oversold. Moreover, all of the funds in the TSP universe triggered buy-stops this week.

	Fund	CI%	ROC	TS+	READ	RSI	PMO	+/-	condition
1	US Small-caps (S)	100%	17%	99%	very bullish	57	0.71	positive	deteriorating
2	**International stocks (I)**	99%	16%	**107%**	**very bullish**	**63**	**0.95**	**positive**	**improving**
3	Lifetime 2060	96%	16%	102%	very bullish	63	0.84	positive	improving
4	US Large-caps (C)	93%	16%	101%	very bullish	63	0.81	positive	improving
5	Lifetime 2050	80%	14%	102%	very bullish	63	0.74	positive	improving
6	Lifetime 2040	70%	12%	101%	very bullish	63	0.67	positive	improving
7	Lifetime 2030	58%	10%	102%	very bullish	64	0.58	positive	improving
8	Long-term Inc (L)	26%	4%	102%	very bullish	67	0.35	positive	improving
9	Fixed Income (F)	10%	2%	103%	very bullish	67	0.47	positive	improving
10	Short-term Inc (G)	0%	0%	88%	very bullish	-	0.15	positive	improving

TSP RECENT PRICE ACTION: The Moose likes to go with what's working. Fund I may have dropped to #2 in CI, but it still has the highest performance year-to-date, over 52-weeks, 39 weeks, and 13 weeks. Fund S has been a laggard but has made up for lost time since Fed rate cuts were promised. Fund S is leading over 26 weeks—which is close to the CI and ROC time frames. Based on performance and secondary technicals, then the TSP model sticks with International equities for one more week.

TSP Lifetime & Index Funds: Performance Progression

	Fund	13wk	26wk	39wk	52wk	YTD	3Y
1	**International stocks (I)**	**8.0%**	18.3%	**24.1%**	**22.7%**	**28.2%**	53.4%
2	Lifetime 2060	7.4%	21.9%	16.4%	19.4%	20.1%	61.5%
3	Lifetime 2050	6.4%	18.4%	14.5%	17.1%	17.5%	52.2%
4	US Large-caps (C)	6.9%	23.6%	13.5%	17.9%	16.6%	**66.6%**
5	Lifetime 2040	5.8%	16.3%	13.2%	15.6%	15.9%	46.4%
6	Lifetime 2030	4.9%	13.9%	11.5%	13.7%	13.8%	39.7%
7	US Small-caps (S)	7.6%	**25.8%**	8.5%	16.3%	13.4%	64.0%
8	Long-term Inc (L)	2.9%	7.3%	7.1%	8.7%	8.3%	22.0%
9	Fixed Income (F)	3.3%	4.3%	6.8%	6.7%	7.4%	18.4%
10	Short-term Inc (G)	1.0%	2.2%	3.3%	4.4%	3.7%	9.1%

***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*

The I Fund is the top performing asset we track in the TSP portfolio year-to-date, over 52-weeks and over 39-weeks. More recently, however, it is starting to be pushed by the S Fund, C Fund and Lifetime 2060, which have outperformed it over the last 26 weeks. Lately, however, I Fund has reasserted itself over 13 wks.

TSP Moose v. TSP Lifetime Funds: Yearly Performance

Strategy	2025 YTD	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**18.2%**	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	16.0%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
TSP Moose	15.5%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2040	14.5%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	12.7%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%

RECOMMENDATION: 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 acceptable. When the reckoning does eventually come, however, it can be far worse, shaking our national institutions as well as the economy.

Moospeak

INFLATION REDUX

You might be asking yourself why, in the middle of a government shutdown, would the Feds bring back a bunch of number-crunchers at Bureau of Labor Statistics for a special cameo. Previously labelled “non-essential”, they were needed to publish the September Consumer Price Index. All other Federal data releases since October 1 have been cancelled, but the September CPI is special. Every year it provides the calculation for the Federal cost-of-living adjustment for retirement benefits as well as disability and survivor benefits.

This year’s Federal COLA will bump social security checks by 2.8% in 2026. That is smaller than all of the Biden increases except the current 2.5% COLA for 2025. It remains close to the 2.6% average COLA over the last 20 years. The CPI report was supposed to come out on October 15, but the Federal shutdown delayed it nine days.

Friday’s Consumer Price Index (CPI) report did confirm that US tariff policies have had a muted impact on cost pressures so far, making it relatively certain that the Federal Reserve will cut rates again when it meets next week (October 29). Headline CPI was up 0.3% month over month in September, slower than the 0.4% rise seen in August and the 0.4% increase economists expected. The September CPI was up 3.0% year-over-year, a bit hotter than in August, but still below the 3.1% consensus estimate. (The 2.8% COLA estimate is an average of the y-o-y CPI data for July, August and September, which is why it is lower than September’s 3.0% read.)

Meanwhile, core CPI, which excludes food and energy prices and is considered a better measure of underlying inflation trends, was up 0.2% in September and 3.0% year over year. That was cooler than in August and beat the consensus forecast.

The internals of the September CPI report were also somewhat positive with the cost of food, shelter, electricity, and transportation services moderating this month. Fuel oil, apparel, and medical services prices, however, picked up steam.

In all, the September CPI report keeps the Fed on track to cut rates by a quarter-percentage point at next Wednesday’s FOMC meeting. CME futures pricing in a 98% chance the Fed will issue its next quarter-point rate cut at its meeting next week and odds for a December rate cut have risen to 97% from 73% one month ago.