

# **MOOSECALLS**

Global Financial News & Analysis  
MAY.01.2026 through MAY.10.2026

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## EXECUTIVE SUMMARY: MAY.01.2026

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

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

**THIS WEEK saw the 1st Risk-ON week after 1 MIXED-Risk week. US Stocks UP, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN.**

## CEASEFIRE, BLOCKADE PUSH OIL PRICES HIGHER

An extended ceasefire coupled with a US naval blockade of Iranian ports pushed oil (+7.9%) back above \$100 this week, adding 3.2% to the CRB index. US long bonds (-1.3%) weakened as a result with the US ten-year yield up 7 bps to 4.38% and the three-month yield down a tick to 3.58%. Equities were nonplussed. US small-caps (+1.0%) led large-caps (+0.9%) solidly higher, joined by Asia-Pacific (+1.0%) and Japan (+1.1%). Europe (+0.1) managed to finish in the black and only recent star Latin America (-1.7%) continued to correct. The Dollar (-0.3%) weakened slightly as the BoJ intervened to boost the Yen. Gold (-2.3%) lost ground despite the weaker Dollar. No changes to the models this week.

**GLOBAL OUTLOOK POSITIVE (4 of 4).** War has the Baltic Dry Index, the 10-year US yield, and oil and copper prices all higher over the last 13 weeks.

**INFLATION:** Oil very bullish and over \$100. Global inflation per Fed Check warrants tightening. PCE inflation above 3% and warming.

**US ECONOMIC DATA:** Good. Confidence, Income, Spending, Durable orders Up; LEI Down. Recession chance a year out minimal. Financial system health per SOFR-T spread, sound. GDP Now estimate (Q2): 3.5%.

**FEDERAL RESERVE:** The Fed's balance sheet stands at \$6.70 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting (6/17). Kevin Warsh to replace Jerome Powell in May. War has spiked inflation fears. Fed Check remains hawkish as of 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) No December Fed rate change (78%) outweighs chances of a cut (13%) or a hike (9%).

**INVESTMENT STRATEGIES:** No change. The TSP model holds International equities (I Fund). USES holds newly added component IWM (US small caps), and the GLOBAL Index model holds EEM.

## GLOBAL OUTLOOK: POSITIVE (4 of 4)

**Indications are positive for the global economy.**

An international shipping measure and proxy for current global trade, **the Baltic Dry Index rose to 2730 this week, and is 28% up after 13 weeks, a positive signal.** (After opening 2026 at 1882, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price rose to 101.94 this week, but is up 56% in the latest quarter, a positive economic signal.** (Oil remains below its 2022 peak (\$130), but well above the 2020 Covid low (\$10.)

Our proxy for global construction, **copper (\$5.98) is down this week, but is 1% higher this quarter, a positive signal.**

Domestically, **10Y US bond yields rose to 4.38% this week and are up 10 bps over the past 13 weeks, a positive bet on the largest world economy.**

## GLOBAL RANKING: Latin America Top Region

Index Moose  
ETF Rankings  
through  
MAY.10.2026

**THIS WEEK saw the 1st Risk-ON week after 1 MIXED-Risk week. US Stocks UP, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN.**

Latin America leads in regional global momentum since 4/9/2026, having gapped higher and triggered a buy-stop this week.

ILF leads in overall confidence, technical strength and PMO. GLD and every ETF in the regional index except long bonds are working off buy-stops. Though Latin equities (ILF) are the #1 regional choice, ILF is very volatile and unsuitable for intermediate term modeling, so we don't follow it formally. If you are not particularly risk averse, however, its numbers look good. Otherwise, the best alternative is emerging markets.

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

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Latin America (ILF)	83%	very bullish	48.3	1.46	positive	deteriorating
2	76%	Gold Bullion (GLD)	43%	neutral	43.2	-0.89	negative	deteriorating
3	55%	Asia Pacific ex-Japan (AAXJ)	110%	very bullish	65.4	2.71	positive	improving
4	44%	Japan (EWJ)	72%	bullish	53.6	0.77	positive	deteriorating
5	34%	US Small-caps (IWM)	107%	very bullish	67.5	2.47	positive	improving
6	30%	Europe (IEV)	63%	bullish	54.8	0.83	positive	deteriorating
7	17%	US Large-caps (SPY)	100%	very bullish	71.7	1.90	positive	improving
8	5%	Short US Income (SGOV)	85%	very bullish	34.4	0.06	positive	deteriorating
9	-6%	Very Long US Bonds (EDV)	13%	very bearish	42.7	-0.56	negative	deteriorating
		CI%	TS+	READ	RSI		PMO	+/-
		US Dollar	66%	bullish	46.2		negative	deteriorating
		Commodities	123%	very bullish	67.4		positive	improving
		US Oil	158%	very bullish	61.6		positive	improving
		Ryan/CRB	80%	HIKE RATES				
		Volatility	17.0	reduced fear				

ILF is the best performing region YTD, and over 26, 39, and 52 weeks. It has, however, begun to fade in the last 13 weeks. Asia-Pacific is showing renewed signs of life as emerging markets continue to outperform.

YTD	FUND	05/01/26	04/24/26	13wk	26wk	39wk	52wk	3Y
18.9%	Latin America (ILF)	-1.7%	-2.7%	-1.0%	29.7%	53.4%	57.1%	53.1%
18.3%	Asia Pacific ex-Japan (AAXJ)	1.0%	0.9%	7.3%	20.3%	35.2%	50.0%	72.8%
13.5%	US Small-caps (IWM)	1.0%	0.3%	6.2%	16.4%	28.4%	40.6%	45.1%
9.4%	Japan (EWJ)	1.1%	-3.2%	3.6%	15.1%	30.8%	35.5%	48.6%
6.8%	Gold Bullion (GLD)	-2.3%	-2.8%	-14.4%	16.8%	39.7%	42.0%	96.0%
5.7%	US Large-caps (SPY)	0.9%	0.5%	3.9%	7.3%	15.0%	28.6%	46.6%
4.4%	Europe (IEV)	0.1%	-2.3%	-0.3%	12.4%	19.0%	22.2%	41.7%
0.0%	Short US Income (SGOV)	-0.2%	0.1%	0.3%	1.2%	2.3%	3.4%	8.5%
-2.2%	Very Long US Bonds (EDV)	-1.3%	-0.5%	-1.8%	-5.6%	0.8%	-0.2%	1.8%

## GLOBAL RANKING: TECHNICAL OVERVIEW

**#1 LATIN AMERICA Holds Short-Term Support:** ILF fell 1.7% this week, after losing 2.7% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is down 1.0% for the quarter (13 weeks), but up 57.1% for the year (52 weeks).

**#2 GOLD Retreat Continues:** GLD fell 2.3% this week, after losing 2.8% last week. That left it neutral and ranked 2 globally and more attractive than cash. The index is down 14.4% for the quarter (13 weeks), but up 42.0% for the year (52 weeks).

**#3 ASIA-PACIFIC Posts Another High:** AAXJ rose 1.0% this week, after gaining 0.9% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 7.3% for the quarter (13 weeks), and up 50.0% for the year (52 weeks).

**#4 JAPAN Tests 50-day Support:** EWJ rose 1.1% this week, after losing 3.2% last week. That left it bullish and ranked 4 globally and more attractive than cash. The index is up 3.6% for the quarter (13 weeks), and up 35.5% for the year (52 weeks).

**#5 US SMALL-CAPS Test Highs:** IWM rose 1.0% this week, after gaining 0.3% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 6.2% for the quarter (13 weeks), and up 40.6% for the year (52 weeks).

**#6 EUROPE Holds Near-term Support:** IEV rose 0.1% this week, after losing 2.3% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is down 0.3% for the quarter (13 weeks), but up 22.2% for the year (52 weeks).

**#7 US LARGE-CAPS Post New High:** SPY rose 0.9% this week, after gaining 0.5% last week. That left it very bullish and ranked 7 globally and more attractive than cash. The index is up 3.9% for the quarter (13 weeks), and up 28.6% for the year (52 weeks).

**#8 CASH AND INCOME:** SGOV fell 0.2% this week, after gaining 0.1% last week. That left it ranked 8 globally. The index is up 0.3% for the quarter (13 weeks), and up 3.4% for the year (52 weeks). Treasury 10-year yield rose 7 ticks to 4.38 and the 3-month yield rose 1 to 3.58 with the yield curve steepening to 81 basis points.

**#9 Long US Treasury Bonds Break to Death-Cross Low:** EDV fell 1.3% this week, after losing 0.5% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 1.8% for the quarter (13 weeks) and down 0.2% for the year (52 weeks) as yields have risen.

**COMMODITIES Push Higher:** A very bullish CRB rose 3.2% this week after gaining 5.5% last week. That left commodity prices up 27.4% for the quarter (13 weeks), and up 49.8% for the year (52 weeks). At \$30.81 the CRB is above its short-term (50-day) average and above its intermediate-term (200-day) average.

**Crude Oil (USO) Surges Again:** Meanwhile, oil prices rose 7.9% this week, following last week's gain of 14.1%. Crude is currently very bullish. That leaves US oil prices up 93.1% for the quarter (13 weeks), and up 124.7% for the year (52 weeks).

**US DOLLAR Weakens on Yen Intervention:** UUP fell 0.3% this week, after gaining 0.4% last week. It is currently bullish—up 0.3% for the quarter (13 weeks), but down 0.0% in the last year (52 weeks). At \$27.41, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average.

## US ECONOMY: GOV'T DATA

### CONFIDENCE, INCOME, SPENDING UP, LEI DOWN

US Economy:  
week of  
MAY.01.2026

#### THIS WEEK: GOOD

**THE GOOD:** WEEKLY Initial Claims (189K) below expectations and prior. WEEKLY Continuing Claims (1785K) down from prior. WEEKLY EIA Crude Oil Inventories (-6.23M) draw wipes out last week's build as oil prices rise. APR Consumer Confidence (92.8) beat prior and forecasts. APR S&P Global U.S. Manufacturing PMI – Final (54.5) beat forecasts and previous. APR ISM Manufacturing Index (52.7%) expanding in line with prior, weaker than consensus. MAR Personal Income (+0.6%) up stronger than expected. MAR Personal Spending (+0.9%) outpaced strong jump in incomes. MAR Durable Orders (+0.8%) stronger than previous and consensus. MAR Housing Starts (1502K) up from previous. FEB Building Permits (1538K) and MAR Building Permits (1372K) both up from previous.

**THE BAD:** APR Chicago PMI (49.2) unexpectedly contracting, down from consensus and prior. MAR Leading Economic Index (-0.6%) down after unusual positive month. MAR Adv. Intl. Trade in Goods (-\$87.9B) deficit increasing. MAR Adv. Retail Inventories (+0.7%) heavier build than previous. MAR Adv. Wholesale Inventories (+1.4%) larger build than expected. FEB FHFA Housing Price Index (0.0%) unexpectedly flat, weaker than previous. FEB S&P Case-Shiller Home Price Index (+0.9%) below prior and consensus. FEB Housing Starts (1356K) down from prior.

**THE UGLY:** Nothing.

## US ECONOMY: INFLATION DATA

### War Heats Up PPI, But Not Core

US Inflation:  
week of  
MAY.01.2026

MAR CPI (+0.9%) hot month-to-month  
MAR Core CPI (+0.2%) cooler than expected month-to-month.  
MAR PPI (+0.5%) cooler than forecast, in line with prior. (1yr = 4.0%.)  
MAR Core PPI (+0.1%) cooler than forecast and prior. (1yr = 3.4%.)  
MAR Import Prices (+0.8%) warm, cooler than prior. (1yr = 2.1%.)  
MAR Export Prices (+1.6%) warm, but cooler than previous. (1yr = 5.6%).

**MAR PCE Prices (+0.7%) hotter than forecast and prior. (1yr 3.5% up.)**

**MAR PCE Prices – Core (+0.3%) warm but down from previous. (1yr 3.2% up.)**

**Q1 GDP-Adv. (+2.0%) below consensus, above prior.**

**Q1 Chain Deflator-Adv. (+3.6%) hotter than prior and target.**

**Q1 Employment Cost Index (0.9%) hotter than expected and previous.**

Q4 Productivity – Revised (+1.8%) weaker than prior and consensus

Q4 Unit Labor Costs – Revised (+4.4%) hotter than previous and consensus.

Q4 Current Account Balance (-\$190.7B) deficit an improvement over previous quarter and forecasts.

## US ECONOMY: RECESSION & GDP INDICATORS

### NY FED: MINIMAL RECESSION THREAT DOWN SLIGHTLY

**US recession chances one year out: 18.80% (MAR 2027) per NY Fed.** (Recession expected if chance > 30%.) As of May 2025, the Fed model's chance of recession fell below 30%, the threshold signaling a recession one year out. It remains there. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics.

### ATLANTA FED: US Q2 GDP NOW at 3.5%

Atlanta Fed Current GDP Model (5/1/2026): Q2 Annualized 3.5% (Last week: Q1 Annualized +1.3%)

## US ECONOMY: FEDERAL RESERVE FED BALANCE SHEET (\$6.70T); FFR @ (3.50-3.75%)

Federal Reserve:  
week of  
MAY.01.2026

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

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

Currently, the Fed's balance sheet is 6.70T, (down +.01T) in the latest week (5/1/2026). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change at the January, March or April FOMC meeting.

The next FOMC meeting is June 17. Jerome Powell will exit as Fed chair this month (May) but plans to stay on as governor. Kevin Warsh has been tapped to replace him and likely will now that criminal charges against Powell have been dropped and the case referred to GAO. Warsh is reputedly inclined to reduce the Fed balance sheet and be more hawkish. Meanwhile, futures make a 2026 rate cut unlikely, and despite the recent Iranian oil price spike, odds of a December Fed rate hike are miniscule and fading.

The Fed Check at 80% turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at 3.880%, however, is now 26 bps HIGHER than the Fed overnight rate (3.625%), implying near-term US domestic conditions make another Fed rate cut increasingly questionable.

The 3m-10y yield curve steepened to a slope of 80 bps this week, as the 10-year US Treasury yield rose to 4.38%, and the 3-month cash yield fell to 3.58%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The 30d-10y median yield (3.98%) is just above its 200-day (3.97%) leaving our interest rate signal for stocks neutral.

**3-month SOFR yield** at 3.66% is up this week, while the 3-month T-bill at 3.58% is also down. That puts the SOFR/T-Bill (SOF-T) spread at 8 basis points, below its 200-day average of 19 bps. **A falling SOF-T spread signals a safer, more confident financial system.**

**FED OVERALL THIS WEEK: NEUTRAL (0) LW: NEUTRAL (0)**  
**LATEST Rate Posture: (No Change) NEUTRAL (0)**  
**LATEST Balance Sheet (down .01T) NEUTRAL, (0),**  
**Fed Speak NEUTRAL (0),**  
**Fed Check HAWKISH (-1)**

**Latest FOMC Assessment (2026.4.29)** Recent indicators suggest that economic activity has been expanding at a solid pace. Job gains have remained low, on average, and the unemployment rate has been little changed in recent months. Inflation is elevated, in part reflecting the recent increase in global energy prices. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Developments in the Middle East are contributing to a high level of uncertainty about the economic outlook. The Committee is attentive to the risks to both sides of its dual mandate. In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will consider a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. **(Next FOMC meeting: 2026.6.17)**

## US Currency Market: US DOLLAR Weakens on Yen Intervention



**US Dollar:** UUP fell 0.3% this week, after gaining 0.4% last week. It is currently bullish—up 0.3% for the quarter (13 weeks), but down 0.0% in the last year (52 weeks). At \$27.41, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is negative but deteriorating. RS14 @ 46.2 is neither overbought nor oversold. As for other major currencies vs the Dollar, the Australian \$ is very bullish, and down 0.2% this week. The British Pound is bullish, and up 0.2%. The Canadian Dollar is bullish, and up 0.2%. The Euro Dollar is neutral, and down 0.4%. The Swiss Franc is neutral, and down 0.5%, and the Japanese Yen is very bearish and down 0.6%.

The Dollar has settled back to where it was when the US/Iran conflict began, testing its 50-day SMA. The greenback peaked when oil spiked to \$120 as war broke retreated as oil dipped below \$85 last week, and rallied this week and last as oil

recovered to \$101. Along with war, which traditionally makes the Dollar a safe haven, US tariffs remain a positive for the greenback despite the last Supreme Court ruling. As the straits of Hormuz reopen oil prices will revert to more normal and lower levels, and the demand for Dollars will fall.

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### Carry-trade This Week

Moose guidance is based on US Dollar denominated ETF proxies. Investors seeking to maximize profits when investing in offshore securities may wish to incorporate a "carry-trade" currency strategy into the decision, (Basically, if a foreign currency is weakening (bearish) against the Dollar, using a Dollar-denominated ETF to invest in that country's assets will outperform using a hedged vehicle. If, however, the foreign currency is bullish vs. the Dollar, the Dollar-denominated investment will underperform. In the event of a weak Dollar there may be currency-hedged foreign equity ETFs available at least for Europe (HEDJ) and Japan (DXJ) that will outperform.

Description	READ	US \$ investors in Foreign Assets
Australian \$ (FXA)	very bullish	US\$ Investors underperform hedged
British Pound (FXB)	bullish	US\$ Investors underperform hedged
Canadian Dollar (FXC)	bullish	US\$ Investors underperform hedged
Euro Dollar (FXE)	neutral	US\$ investors underperform hedged (IEV>HEDJ)
Swiss Franc (FXF)	neutral	US\$ investors match hedged
Japanese Yen (FXJ)	very bearish	US\$ investors outperform hedged (EWJ<DXJ)
US Dollar	bullish	

## #9 Long US Treasury Bonds Break to Death-Cross Low



**US Long Treasury Bonds: EDV** fell 1.3% this week, after losing 0.5% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 1.8% for the quarter (13 weeks) and down 0.2% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 7 ticks to 4.38 and the 3-month yield rose 1 to 3.58 with the yield curve steepening to 81 basis points. That reduces the odds of a recession in late 2026. At \$63.56, EDV is below its short-term (50-day) average and below its intermediate-term (200-day) average. Momentum (PMO) is negative and deteriorating, and its 14-day RSI of 42.7 means EDV is neither overbought nor oversold. As for currency effects a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

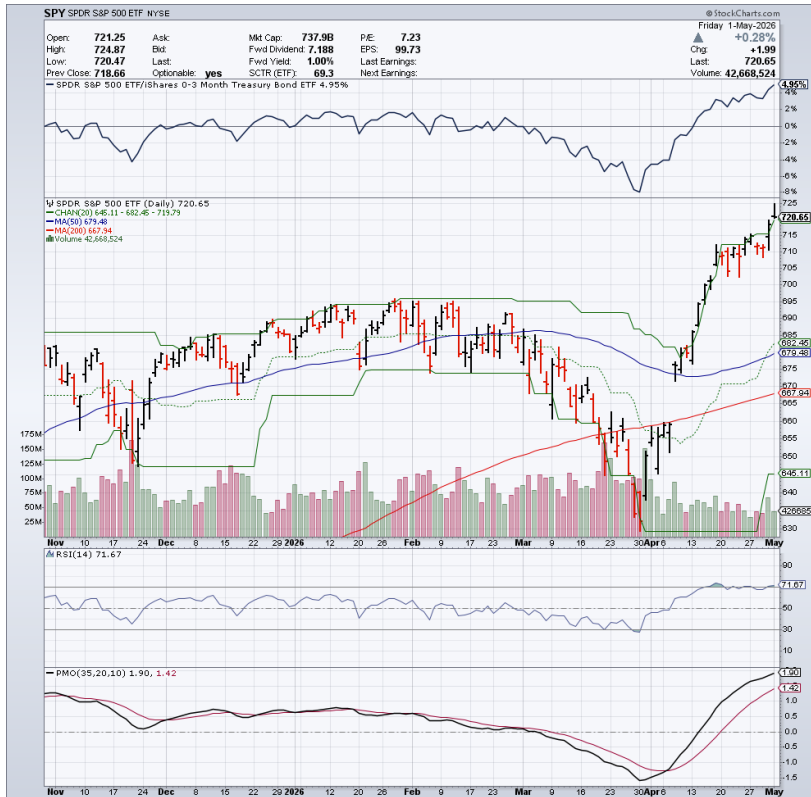
Bond prices finally broke down this week, as EDV's 50-day dipped below its 200-day in a

classic "death-cross". The wait-and-see bond market comes despite oil prices rising 14% to \$94 this week reflecting the open-ended nature of the search for a solution in Iran. Decent US and Global economic data helped. Still, the once certain odds of a 2026 Fed rate cut by December have morphed into a 61% probability of no change. That despite two extended government shutdowns intended to weaken economic performance prior to midterm elections.

**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: #7 US LARGE-CAPS Post New High



**US Large-Cap Stocks: SPY** rose 0.9% this week, after gaining 0.5% last week. That left it very bullish and ranked 7 globally and more attractive than cash. The index is up 3.9% for the quarter (13 weeks), and up 28.6% for the year (52 weeks). At \$720.65, SPY is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 71.7 means SPY is overbought. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Ceasefire with Iran caused SPY to gap to a 20-day buy-stop in early April making for an 8% overbought surge. It turned SPY bullish and its PMO positive and improving. Earnings season subsequently added to the optimism. Last week an extension to the ceasefire and solid US and global economic data kept the rally going, and it

continued this week. Whether Iran has anyone left with the capacity to negotiate a peace is another question. In the US is also uncertainty over the impact of AI on job growth and uncertainty over the future (revised) US tariff regime. The larger issues of taxation, fiscal spending, and the debt ceiling are settled, however, and the new tax regime is kicking in now. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish for stocks. On the downside SPY is overbought, and given several gaps up of late, future volatility and weakness appear imminent.

**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: #5 US SMALL-CAPS Test Highs



**US Small-Cap Stocks: IWM** rose 1.0% this week, after gaining 0.3% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 6.2% for the quarter (13 weeks), and up 40.6% for the year (52 weeks). At \$279.28, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 67.5 means IWM is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Ceasefire with Iran caused IWM to gap to a 20-day buy-stop in early April making for an 10% overbought surge. It turned IWM very bullish and its PMO positive and improving. Earnings season subsequently added to the optimism. Last week an extension to the

ceasefire and solid US and global economic data kept the rally going, and it continued this week. Whether Iran has anyone left with the capacity to negotiate a peace is another question. In the US is also uncertainty over the impact of AI on job growth, and uncertainty over the future (revised) US tariff regime. The larger issues of taxation, fiscal spending, and the debt ceiling, however, are settled, and the new tax regime is kicking in now. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish for stocks. On the downside, IWM is on the verge of overbought, and given several gaps up of late, future volatility and weakness appear imminent.

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

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## US Equity Market Top Sectors: Oil Equip, Serv & Prod, Semiconductors, Industrials

The table below ranks 27 primary US sector ETFs in order of relative momentum this week. Sectors ranked higher than cash are bullish (**buy or hold**), and those ranked below cash are bearish (**sell or avoid**). **This week's US equity sector momentum is improved: positive; broad-- 70% of our sectors are buy or hold (L67%) with BUYS the same at 44% (L44%) and HOLDS Semiconductors, Oil & Gas Exploration, Pharma, Biotech and Defense. Avoids include Software, Medical Devices, Home Construction, Internet, Bitcoin.**

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	US Oil Equip & Serv (IEZ)	66%	129%	very bullish	72.0	3.80	positive	improving
97%	Semiconductors (SMH)	61%	132%	very bullish	77.0	6.71	positive	improving
78%	Gold Miners (GDX)	27%	38%	bearish	39.6	-1.19	negative	deteriorating
51%	Oil/Gas Expl & Prod (XOP)	32%	114%	very bullish	58.8	2.00	positive	improving
39%	US Pharmaceuticals (IHE)	22%	52%	neutral	55.2	-0.08	negative	deteriorating
36%	Biotechnology (IBB)	17%	44%	neutral	44.3	0.08	positive	deteriorating
25%	US Aerospace & Def (PPA)	9%	43%	neutral	40.7	-0.98	negative	deteriorating
22%	Industrials (XLI)	13%	88%	very bullish	55.3	0.96	positive	improving
22%	Select Materials (XLB)	12%	85%	very bullish	51.9	0.86	positive	deteriorating
21%	Transports (IYT)	13%	97%	very bullish	57.2	1.69	positive	improving
19%	US Technology (IYW)	13%	107%	very bullish	74.2	3.89	positive	improving
16%	Utilities (XLU)	9%	76%	bullish	54.3	0.31	positive	improving
13%	<b>S&amp;P 500 (SPY)</b>	<b>8%</b>	<b>100%</b>	<b>very bullish</b>	<b>71.4</b>	<b>1.86</b>	<b>positive</b>	<b>improving</b>
7%	KB Banks (KBE)	5%	87%	very bullish	57.9	1.56	positive	improving
7%	Telecommunications (FCOM)	2%	79%	bullish	60.7	1.38	positive	improving
7%	Food & Beverage (PBJ)	5%	92%	very bullish	55.4	0.59	positive	improving
4%	REITs (VNQ)	3%	102%	very bullish	60.8	1.28	positive	improving
4%	Consumer Staples (XLP)	4%	72%	bullish	57.8	-0.13	negative	improving
2%	Media Portfolio (XLC)	-3%	65%	bullish	55.6	0.56	positive	improving
-2%	KBW Insurance (IAK)	0%	44%	neutral	51.3	0.26	positive	improving
<b>-3%</b>	<b>CASH</b>	<b>-1%</b>	<b>25%</b>	<b>bearish</b>	<b>39.3</b>	<b>-0.06</b>	<b>negative</b>	<b>deteriorating</b>
-4%	Retail (XRT)	-4%	51%	neutral	56.0	0.86	positive	improving
-7%	Capital Markets (KCE)	-4%	68%	bullish	58.3	1.87	positive	improving
-8%	US Health Providers (IHF)	-1%	82%	very bullish	73.5	2.12	positive	improving
-10%	Bitcoin (BLOK)	-10%	57%	neutral	60.9	3.31	positive	improving
-16%	DJ Internet Index (FDN)	-9%	55%	neutral	66.2	2.32	positive	improving
-17%	Home Construction (XHB)	-9%	37%	bearish	49.6	0.59	positive	improving
-26%	US Medical Devices (IHI)	-16%	0%	very bearish	33.5	-2.41	negative	deteriorating
-41%	Software (XSW)	-24%	22%	bearish	60.7	0.42	positive	improving

## US Sector Top Performers: YTD (5/01/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
53.4%	<b>US Oil Equip &amp; Serv (IEZ)</b>	1.8%	9.1%	10.9%	28.5%	65.4%	70.5%	107.7%	44.1%
41.6%	Semiconductors (SMH)	0.7%	9.1%	9.8%	27.4%	51.1%	75.6%	142.6%	142.6%
39.9%	Oil/Gas Expl & Prod (XOP)	5.1%	5.2%	10.4%	30.7%	42.5%	36.8%	62.9%	17.6%
13.2%	Select Materials (XLB)	-1.1%	0.1%	-1.0%	2.8%	16.9%	13.9%	24.3%	19.5%
11.5%	Food & Beverage (PBJ)	0.4%	0.2%	0.6%	6.5%	10.1%	4.7%	7.1%	6.9%
11.5%	Industrials (XLI)	0.3%	-0.6%	-0.3%	5.3%	13.5%	12.8%	33.3%	45.0%
10.7%	US Technology (IYW)	1.8%	3.4%	5.1%	10.7%	11.8%	22.0%	54.9%	73.0%
9.0%	Utilities (XLU)	0.8%	0.0%	0.8%	9.4%	3.7%	12.9%	20.6%	46.8%
8.6%	REITs (VNQ)	0.8%	-1.4%	-0.6%	6.1%	4.2%	7.4%	10.9%	27.3%
8.4%	Transports (IYT)	-0.7%	-0.6%	-1.3%	5.1%	14.0%	14.2%	33.9%	23.6%

## INTERNATIONAL MARKETS: #2 GOLD Triggers Stop Loss



**Gold Bullion: GLD fell 2.3%** this week, after losing 2.8% last week. That left it neutral and ranked 2 globally and more attractive than cash. The index is down 14.4% for the quarter (13 weeks), but up 42.0% for the year (52 weeks). At \$423.18, GLD is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 43.2 means GLD is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Gold triggered a stop-loss this week aided by an 8% jump in oil prices, but there was no follow-through breakdown as the FOMC left policy and guidance unchanged. Rate policy is key to gold's prospects and gold has

faded since the chances of a Fed rate cut later in 2026 have fallen from 100% in late January to about 13% now. A large persistent US deficit, along with geopolitical uncertainty (Venezuela, Iran, Ukraine) continue to influence demand for gold but US interest rates and the Dollar are the key drivers. Traditional threats (global recession or a severe equity market panic) evidenced by equity margin calls are not in evidence.

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## INTERNATIONAL MARKETS: COMMODITIES Push Higher



**Commodities:** A very bullish CRB rose 3.2% this week after gaining 5.5% last week. That left commodity prices up 27.4% for the quarter (13 weeks), and up 49.8% for the year (52 weeks). At \$30.81 the CRB is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 67.4 means the CRB is neither overbought nor oversold.

**Crude Oil:** Meanwhile, oil prices (USO) rose 7.9% this week, following last week's gain of 14.1%. Crude is currently very bullish. That leaves US oil prices up 93.1% for the quarter (13 weeks), and up 124.7% for the year (52 weeks). At \$142.80, USO is above its short-term (50-day) average and above its intermediate-term average, neither overbought nor oversold. A cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities,

commodities and gold, but improves the region's trade competitiveness.

Oil prices rose to \$101 as week 9 of the Iran/US war extended its ceasefire phase-- an 8% jump that pushed commodities 3% higher. Oil is unlikely to normalize until the straits of Hormuz are fully re-opened to tanker traffic. While Iran's traditional military is largely destroyed, its asymmetric capabilities still need to be reckoned with. Drone aircraft and surface craft remain a concern in the strait. In addition, a US blockade in and out of Iran has cut tanker traffic to 5% of normal. While the US takeover of Venezuela's oil resources will likely increase oil supply and lower prices later in 2026, as "drill, baby, drill" does the same in the US, the prospect for continued violence in Iran and Ukraine will keep prices firm. Meanwhile, the commodity and bond markets are still telling us that inflation should be more of a concern than joblessness.

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## INTERNATIONAL EQUITIES: #6 EUROPE Holds Near-term Support



**European Large-Cap Stocks:** IEV rose 0.1% this week, after losing 2.3% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is down 0.3% for the quarter (13 weeks), but up 22.2% for the year (52 weeks). At \$71.65, IEV is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 54.8 means IEV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Europe has growth concerns due to suddenly higher energy prices and uncertainty about Chinese demand for its exports. Rising energy cost have made the ECB more cautious, delaying rate cut plans. That leaves Europe

potentially exposed to an energy-driven stagflation shock. Despite higher energy prices for a second straight week, however, Europe's equities held their own. NOTE: A neutral to slightly bearish Euro vs. Dollar keeps (IEV +8) slightly outperforming the hedged version (HEDJ +3) of European equities and is currently stronger than the US (VTI +5). Across the pond, Spain (EWP +12), Italy (EWI +11), Britain (EWU +10), and Netherlands (EWN +8) are best. Switzerland (EWL +8) and Ireland (EIRL +8) doing beating the US, while Germany (EWG +2), Denmark (EDEN +2) and France (EWQ +1) are struggling.

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

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## INTERNATIONAL EQUITIES: #4 JAPAN Tests 50-day Support



**Japanese Stocks: EWJ** rose 1.1% this week, after losing 3.2% last week. That left it bullish and ranked 4 globally and more attractive than cash. The index is up 3.6% for the quarter (13 weeks), and up 35.5% for the year (52 weeks). At \$88.30, EWJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 53.6 means EWJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

BOJ held rates steady (0.75%) despite rising inflation risk. That leaves credibility and currency concerns as Japanese equities continue to be affected by the Middle East conflict. Japan is a major energy importer. The

impact of surging oil prices on earnings is of particular concern. Yen volatility due to intervention risk is another threat to profitability as Japan is an export economy. In addition, there has been supply chain stress and a manufacturing surge leading manufacturing PMI to a 4-year high (55.1) due to pre-emptive stockpiling amid geopolitical risk. The activity spike has been a positive for equities near term but medium term the inventory overhang will weigh on margins. On the positive side, strong global demand for AI / semiconductor exposure continues to drive Japanese large caps. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ @18) of Japanese equities preferable to the dollar version we track (EWJ @8).

**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 Another High



**Asia-Pacific ex-Japan: AAXJ** rose 1.0% this week, after gaining 0.9% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 7.3% for the quarter (13 weeks), and up 50.0% for the year (52 weeks). At \$110.14, AAXJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 65.4 means AAXJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Another US-Iran war oil spike this week once again did not dim this region's optimism as much one might expect. Asia-Pacific in fact is the only region that has logged equity gains two weeks running even as oil has surged

back above \$100. Asian equities are led by South Korea, Taiwan and Hong Kong. China has been reliant on discounted Iranian oil since the US sanctioned the mullahs but is falling further behind now. Iran's "shadow fleet" oil got out through the straits initially, but the US blockade changes that. Even so Asian equity markets (AAXJ +16) on the whole remain marginally more attractive than US stocks (VTI +5). South Korea (EWY +72) is a standout along with Taiwan (EWT +34). Hong Kong (EWH +12) and Australia (EWA +7) are doing passably. Singapore (EWS +2), India (IMVP -8), and China (FXI -10), lag the US, and are struggling due to energy and US tariff issues.

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

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# INTERNATIONAL EQUITIES: #1 LATIN AMERICA Holds Short-Term Support



**Latin America 40: ILF** fell 1.7% this week, after losing 2.7% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is down 1.0% for the quarter (13 weeks), but up 57.1% for the year (52 weeks). At \$36.20, ILF is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 48.3 means ILF is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Latin equities (ILF) posted a new 52-week high two weeks ago and has retrenched about 4.5% since. It remains the #1 regional index choice and is testing short-term support. As noted previously, ILF is very volatile and unsuitable for intermediate

term modeling, so we don't follow it formally. If you are not particularly risk averse, however, its prospects still look good. Higher oil prices and a strengthening Dollar favor Mexico and Brazil which have large oil reserves. Latin nations have better US trade relations and shorter supply routes to the US than most. Latin stocks (ILF +24) have significantly outperformed their US cousins (VTI +5) in Price-Performance vs cash since the tariff announcement 4/25. Brazil (EWZ +29), Mexico (EWW +15), Chile (ECH +16), and Colombia (COLO +12), are strongest. Argentina (ARGT -3) is the only laggard to the US. Canada (EWC +14) which is not in ILF, but a key player in the Americas also continues to beat the US thanks to 35% US tariffs on the 60% of its exports not covered by USMCA.

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

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## INVESTMENT STRATEGIES: PASSIVE DIVERSIFIED: BUY-AND-HOLD

This site compares passive and active investment strategies. The passive strategy is represented by two diversified ETFs, moderate growth (AOM) and aggressive growth (AOA). AOM is comprised of 60% income instruments and 40% equity assets. AOA is 80% equity and 20% income. AOA (mostly stocks) outperforms in bull market scenarios and AOM (mostly bonds) works better when equities are weak.

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

**2026 has been difficult. US stocks have lagged globally and bonds have been lackluster. Buy & Hold strategies have positive but still relatively modest returns year-to-date.** Bond returns out-paced equity returns early on making moderate growth and income (bond-heavy) portfolios the more profitable buy-and-hold choice, but that changed from April on as Aggressive Growth ( equity-heavy) became more profitable.

**THIS WEEK saw the 1st Risk-ON week after 1 MIXED-Risk week. US Stocks UP, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN.**

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

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
<b>58%</b>	<b>(AOA) Aggressive Growth</b>	<b>7%</b>	<b>94%</b>	<b>very bullish</b>	<b>64.8</b>	<b>1.35</b>	<b>positive</b>	<b>improving</b>
29%	(AOM) Moderate Growth & Inc	3%	86%	very bullish	61.6	0.69	positive	improving
YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
<b>5.8%</b>	<b>(AOA) Aggressive Growth</b>	<b>0.5%</b>	-0.3%	<b>3.7%</b>	<b>8.7%</b>	<b>14.3%</b>	<b>26.5%</b>	<b>40.0%</b>
2.5%	(AOM) Moderate Growth & Inc	0.1%	-0.3%	2.0%	4.4%	8.9%	15.1%	25.8%
PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.5%	(AOA) Aggressive Growth	88.02	94.79	95.31	95.31	75.50	91.14	88.07
99.4%	(AOM) Moderate Growth & Inc	47.00	48.94	49.15	49.25	43.50	48.00	46.94

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

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Index Moose</b>	<b>18.2%</b>	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	5.8%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.5%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
S&P Benchmark	5.7%	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	3.4%	16.7%	26.1%	12.3%	-7.0%	<b>22.2%</b>	<b>20.9%</b>	<b>23.6%</b>	<b>1.2%</b>	<b>28.5%</b>

**The Index Model** crushed all competitors in 2025 and is excelling again in 2026. It has outperformed in three of the last ten years. **US Strategy Moose** has outperformed in six of the last 10 years. **In total**, one of our two momentum models has outperformed buy-and-hold in nine of the last ten years. **For buy and hold investors:** Aggressive (AOA) is outperforming more moderate (AOM) diversifications.

This performance data may not reflect total return. Dividends and interest are not included, and the numbers may understate true model, ETF, and benchmark performance by 2-3%. The table above covers the last decade, the period since the models went from weekly to daily and since stop-losses were incorporated. It illustrates several points: (1) Success of any one strategy can be highly variable year-to-year. Just because it worked last year doesn't mean it will next year. (2) Buy-and-hold is preferable in years with few lasting or deep corrections, i.e., trendless volatility. (3) When stocks are trending strong, in either direction, timing is safer. (4) Market timing is most profitable when there is one predominant asset choice, or in extended bear market scenarios. When stocks turn bearish buy-and-hold can be a huge loser. (5) To avoid substantial losses, buy-and-hold investors should have a separate exit plan, whereas such plans are implicit in index targeting (a loss-minimization strategy).

## INVESTMENT STRATEGIES: THE US EQUITY STRATEGY TIMING MODEL

**USE Strategy: HOLD US Small-Caps (IWM) since 4/13/2026.**

The USES Model began as an equity-only construct for determining the optimum equity strategy for the US large cap stock portion of one's portfolio. It monitored and ranked US equity strategies (as represented by the most popular smart-beta ETFs based on volume and capitalization) using our momentum methodology. The 7 US equity strategies included US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight. As of 4/8/2026 US Small-caps were added into the mix.

**THIS WEEK saw the 1st Risk-ON week after 1 MIXED-Risk week. US Stocks UP, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN.**

The US Equity Strategy (USES) Model HOLDS IWM since 4/13/2026.

IWM leads in CI, and ROC. PMO is positive and improving. It is however, verging on overbought.

**Volatility Alert:** It is likely both SPY and IWM will fill their latest downside gaps and retest their 200-day before the US/Iran war is put to bed. Both are overbought.

**Best Alternative:** Large caps are volatile and under-performing **small-caps**. Among large-caps, however momentum has made the biggest move in the last three weeks and quarter, but it remains overbought.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	<b>US Small-Caps (IWM)</b>	14%	107%	very bullish	68	2.47	positive	improving
2	63%	US Momentum (MTUM)	9%	111%	very bullish	73	3.49	positive	improving
3	53%	US Value (IUSV)	8%	102%	very bullish	70	1.01	positive	improving
4	51%	US Growth (IUSG)	7%	102%	very bullish	69	2.69	positive	improving
5	51%	US Large-caps (SPY)	7%	100%	very bullish	72	1.90	positive	improving
6	48%	US Fundamentals (QUAL)	7%	95%	very bullish	63	1.34	positive	improving
7	44%	S&P Equal Weight (RSP)	6%	92%	very bullish	62	0.94	positive	improving
8	35%	US High Dividend (SPYD)	7%	95%	very bullish	61	0.54	positive	improving
9	15%	Cash (SGOV)	2%	85%	very bullish	34	0.06	positive	deteriorating
10	3%	US Low Volatility (SPLV)	1%	70%	bullish	51	0.00	positive	improving

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

Performance-wise, IWM is second year-to-date and first over 26, 39 & 52 weeks. Momentum is showing strength recently, but it is lagging over 26 weeks, the traditional key to investor confidence.

**Best Alternatives:** MTUM is a top performer over the last two weeks and 13 weeks.

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	14%	<b>US Momentum (MTUM)</b>	1.5%	2.3%	11.7%	14.0%	19.1%	37.1%	63.5%
2	13%	US Small-Caps (IWM)	1.0%	0.3%	5.6%	15.4%	25.7%	44.7%	45.1%
3	8%	US High Dividend (SPYD)	1.8%	-0.8%	5.2%	9.4%	11.4%	15.6%	29.7%
4	6%	US Growth (IUSG)	0.6%	1.1%	5.9%	9.0%	14.9%	38.5%	60.9%
5	6%	S&P Equal Weight (RSP)	0.4%	-0.6%	2.5%	7.7%	10.1%	21.9%	29.1%
6	6%	US Large-caps (SPY)	0.9%	0.5%	4.8%	8.5%	14.1%	31.4%	46.6%
7	6%	US Value (IUSV)	1.2%	-0.1%	3.7%	8.6%	13.4%	24.2%	29.0%
8	4%	US Fundamentals (QUAL)	-0.1%	0.2%	2.4%	6.9%	11.8%	23.5%	34.6%
9	4%	US Low Volatility (SPLV)	0.5%	-1.2%	2.3%	2.6%	3.3%	3.9%	19.7%
10	0%	Cash (SGOV)	-0.2%	0.1%	0.4%	1.4%	2.4%	3.4%	8.5%

## INVESTMENT STRATEGIES: THE GLOBAL INDEX TIMING MODEL

### TOP Index Model Move: HOLD Emerging Markets (EEM)

THIS WEEK saw the 1st Risk-ON week after 1 MIXED-Risk week. US Stocks UP, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN.

The Global Index Model HOLDS Emerging Markets (EEM) since 4/13/2026.

Gold leads in overall confidence and rate of change, but not in technical strength or positive PMO. GLD reversed out of its last stop-loss (4/17/26) but triggered another 5/1/26. Prior to that, Emerging markets became index model's top performer.

Best Alternative: Emerging Markets triggered a buy-stop 4/8/26 but gapped higher to do so. **Volatility Alert:** It is likely EEM will fill its latest downside gaps and retest its 50-day before the US/Iran war is put to bed.

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

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	76%	Gold Bullion (GLD)*	43%	neutral	43.2	-0.89	negative	deteriorating
2	58%	Emerging Markets (EEM)	109%	very bullish	63.5	2.57	positive	improving
3	34%	US Small-caps (IWM)	107%	very bullish	67.5	2.47	positive	improving
4	27%	Developed Markets (EFA)	68%	bullish	54.7	0.83	positive	deteriorating
5	17%	US Large-caps (SPY)	100%	very bullish	71.7	1.90	positive	improving
6	5%	Short US Income (SGOV)	85%	very bullish	34.4	0.06	positive	deteriorating
7	-6%	Very Long US Bonds (EDV)	13%	very bearish	42.7	-0.56	negative	deteriorating

Performance-wise, EEM leads year-to-date, and over 26 and 52 weeks. IWM is a close second YTD outperforming in the past two weeks as GLD fades. The last quarter has been volatile, with Foreign equities besting US equities due to a weaker Dollar from tariffs and US small caps showing occasional rotational strength domestically.

YTD	FUND	05/01/26	04/24/26	13wk	26wk	39wk	52wk	3Y
17.2%	Emerging Markets (EEM)	0.6%	0.2%	5.6%	19.1%	34.0%	45.9%	65.2%
13.5%	US Small-caps (IWM)	1.0%	0.3%	6.2%	16.4%	28.4%	40.6%	45.1%
6.8%	Gold Bullion (GLD)	-2.3%	-2.8%	-14.4%	16.8%	39.7%	42.0%	96.0%
6.3%	Developed Markets (EFA)	0.3%	-2.4%	0.4%	10.4%	19.1%	22.6%	39.9%
5.7%	US Large-caps (SPY)	0.9%	0.5%	3.9%	7.3%	15.0%	28.6%	46.6%
0.0%	Short US Income (SGOV)	-0.2%	0.1%	0.3%	1.2%	2.3%	3.4%	8.5%
-2.2%	Very Long US Bonds (EDV)	-1.3%	-0.5%	-1.8%	-5.6%	0.8%	-0.2%	1.8%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	18.2%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	5.8%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.5%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%

## INVESTMENT STRATEGIES: THE THRIFT SAVINGS PLAN TIMING MODEL

### TSP Momentum & Performance

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

### The TSP Model: HOLD International Equities (Fund I)

**THIS WEEK saw the 1st Risk-ON week after 1 MIXED-Risk week. US Stocks UP, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN.**

**This week: \*The TSP Model holds International equities (Fund I) via buy-stop since 4/8/26 @60.20.**

**International Equities (Fund I) lead in overall confidence and rate of change. Technical strength is very bullish. PMO is positive and improving.**

**Best Alternative: Aggressive Lifetime Portfolios outperform the TSP Model and more moderate B&H portfolios.**

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	International Fund (I)	14%	96%	very bullish	60.4	1.55	positive	improving
2	58%	Lifetime 2060	9%	101%	very bullish	67.1	1.78	positive	improving
3	48%	Lifetime 2050	7%	100%	very bullish	66.9	1.49	positive	improving
4	42%	Lifetime 2040	6%	99%	very bullish	67.1	1.33	positive	improving
5	37%	US Large-caps (C)	6%	100%	very bullish	71.4	1.90	positive	improving
6	34%	Lifetime 2030	5%	96%	very bullish	67.3	1.05	positive	improving
7	32%	US Small-caps (S)	4%	94%	very bullish	65.5	2.03	positive	improving
8	17%	Long-term Inc (L)	3%	99%	very bullish	68.9	0.61	positive	improving
9	1%	Short-term Inc (G)	0%	101%	very bullish	100.0	0.17	positive	deteriorating
10	-5%	Fixed Income (F)	-1%	59%	neutral	47.1	0.00	negative	deteriorating

### TSP Lifetime & Index Funds: Performance Progression

**Performance leader Fund I not only leads YTD but over 13, 26, 39 and 52 weeks. It also outperforms over three-years. Near term US large-caps have garnered more interest over the last two weeks.**

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	International Fund (I)	0.6%	-1.6%	7.7%	15.6%	24.4%	32.8%	10.9%	49.3%
2	US Small-caps (S)	0.7%	-0.1%	4.7%	9.4%	15.4%	30.8%	9.0%	42.0%
3	Lifetime 2030	0.7%	-0.3%	6.8%	11.7%	18.1%	30.3%	8.1%	47.3%
4	Lifetime 2040	0.6%	-0.2%	5.8%	9.9%	15.5%	25.5%	6.9%	40.6%
5	Lifetime 2060	0.5%	-0.2%	5.2%	9.0%	13.9%	22.8%	6.2%	36.5%
6	US Large-caps (C)	0.9%	0.6%	6.7%	9.7%	14.7%	28.7%	6.0%	47.2%
7	Lifetime 2050	0.4%	-0.1%	4.3%	7.5%	11.8%	19.2%	5.1%	31.4%
8	Long-term Inc (L)	0.2%	0.0%	2.8%	4.8%	7.3%	11.1%	3.3%	18.6%
9	Short-term Inc (G)	0.1%	0.1%	1.2%	2.3%	3.3%	4.4%	1.4%	9.1%
10	Fixed Income (F)	-0.4%	-0.3%	0.5%	0.1%	3.6%	5.0%	0.3%	12.5%

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

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>L2060</b>	<b>8.1%</b>	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	6.9%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	6.2%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	6.0%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	5.1%	15.6%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%

**OBSERVATION:** The most aggressive Lifetime Funds have been the best performers since Covid (2020) thanks to the trillions in Federal deficit spending under Trump and Biden. An added bonus: Lifetime funds are a lot less work than timing the markets. The drawback is that buying and holding a Lifetime fund can be a disaster in a cyclical bear market (2022). The risk-reward is better with timing. Fortunately (or unfortunately as one's politics may dictate) the likelihood of a cyclical bear market occurring diminishes as government becomes an ever-larger portion of the US economy and as Fed market manipulation becomes more prevalent. The likelihood of a permanent bear market, however, becomes greater and when that reckoning does eventually come, however, it will be far worse, shaking our national institutions as well as the economy.

**Moospeak**

## *Bye to the Fed's "Powell Era" (or maybe not)*

This week witnessed the last Fed Open Market Committee meeting chaired by Jerome Powell, the embattled Fed Chairman first appointed by Donald Trump in 2018 and then reappointed by Joe Biden in 2021. Powell's term in the chair expires May 15<sup>th</sup> and if the Senate can get its ducks in a row by June 17<sup>th</sup>, the next FOMC meeting should be chaired by a second Trump appointee, Kevin Warsh.

The Powell Fed had to deal with the adverse economic impact of the Covid pandemic, with the disastrous economic fallout from Biden's so-called "Inflation Reduction Act", not to mention global trade instability in the wake of Trump's new US tariff regime. One might say Jay Powell suffered the worst of both the Trump and Biden worlds... and others might say he added to it. Investors can thank him for years of across-the-board asset price inflation that minted millions of new millionaires-- while those without large investment portfolios complained of falling further and further behind.

If you're waiting to celebrate the end of the Powell Era, be wary of what you wish for. First off, Jay intends to hang around. Powell may not be the Big Kahuna after May 15, but he will still be a governor and a voting member of the FOMC. His Biden nomination overlaps his chairmanship into early 2028, and he intends to linger "for an indefinite period.". He wants to keep his hand in until the GAO investigation into the cost over-runs on the Fed HQ is completed, which is probably a good idea given how vindictive and engrossed Washington became in the politics of personal destruction from 2017 on.

To my way of thinking, a Fed Chairman's central banking role is far more critical to the nation than his building renovation and interior decorating duties. So why is a Fed chair even messing with that? Fact is, efficient, effective government contract management requires a unique set of skills that few have mastered. (We know this with certainty because virtually no government contract comes in on time and within budget. No one goes to jail. More often than not the contract is re-upped to complete the work.) Renovation jobs are obviously something that should be overseen by a building professional skilled in contract management, not a Phd economist nor a Juris doctor skilled in "consensus building".

In April 2017 when Jay Powell became Chairman, the Fed had all but announced it was part of the Trump "resistance". The Fed's Obama holdovers had begun hiking interest rates as soon as the election was decided-- when both GDP growth and inflation were near 2%. (Ex-Deputy chair Stanley Fischer even let the resistance cat out of the bag in an editorial.) At the time, it was estimated 90% of the employees at the Fed were registered Democrats. Suffice it to say, a reputed "consensus builder" and attorney like Powell is going to have a tough time changing the course of such an institution.

I once bad-mouthed economists in this space, writing that if you laid all of them end-to-end, they would never come to a conclusion. (That was way before partisan-group-think co-opted the Fed.) Then Powell, an attorney, came along, and economists started to look better to me. Attorneys live for irrefutable evidence and by the time you get that in the economy, you're already six to nine months behind the curve. It takes economic understanding to be a proactive Fed chair, and a strong will not to automatically go with what the institutional consensus may be trying to sell you.

We can only hope that the next attorney chairing the Fed is better suited to establishing a proud personal legacy as a central banker than the last.