MOOSECALLS

Global Financial News & Analysis

MAY.15.2026 through MAY.24.2026

EXECUTIVE SUMMARY: MAY.15.2026

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

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

THIS WEEK saw a Risk-OFF week after 2 Risk-ON:
US Stocks MIXED, Foreign Stocks DOWN, Bonds DOWN and Gold DOWN.

INFLATION WEEK DISAPPOINTS

A spate of ugly consumer, producer, and import-export inflation data ruined most folks' week. (See Moospeak.) That and an 11% jump in oil prices pretty much erased any hope of a Fed rate cut this year and in fact made a rate hike more likely. After a great week last week, equities in Latin America (-5.4%), Asia-ex-Japan (-4.0%), Europe (-2.6%) and Japan (-1.2%) all retreated. In the US, small-caps (-2.3%) followed the negative script, but large-caps (+0.2%) managed to hold onto a sliver of black. US long bond prices (-4.0%) sank to a 9-month low. The US ten-year yield spiked 24 bps to 4.60% and the three-month yield fell 1 tick to 3.59%, steepening the yield curve to 101 bpts. The Dollar rose (+1.6%), knocking gold bullion (-3.8%) lower. Commodities in general (+2.9%) led by oil (11%). 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 prices up 11% and above $100. Global inflation per Fed Check warrants tightening. One year CPI (3.8%), PPI (6.0%), and Import prices (4.2%) all well above Fed target.

US ECONOMIC DATA: Mixed. Jobless claims up. Retail sales solid, industrial production and capacity utilization pick up. Recession chance a year out minimal. Financial system health per SOFR-T spread, sound. GDP Now estimate (Q2) up: 4.0%.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.72 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting (6/17). Kevin Warsh to replace Interim Chair Jerome Powell whenever. Iran war has spiked inflation fears. Fed Check (77) remains hawkish as of 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) December Fed rate HIKE (51%) now outweighs chance of a CUT (1%) and NO CHANGE. (48%)

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

GLOBAL OUTLOOK: POSITIVE (4 of 4)

Indications are very positive (4 of 4) for the global economy.

An international shipping measure and proxy for current global trade, the Baltic Dry Index is at 3151 this week, up from last week and up 51% up after 13 weeks, a positive signal.

Meanwhile, another proxy for world activity, WTI oil price is up to $105.42 this week, and is up 68% in the latest quarter, a positive economic signal.

Our proxy for global construction, copper is at $6.30, down on the week but up 7% over 13 weeks and a positive.

Domestically, the 10Y US bond yield is up to 4.60% this week, and up 24 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.24.2026

THIS WEEK saw a Risk-OFF week after 2 Risk-ON:
US Stocks MIXED, Foreign Stocks DOWN, 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, but not technical strength or PMO. Though Latin equities (ILF) are the #1 regional choice, ILF is very volatile and triggered a stop loss (5/13). The best alternative at the moment is emerging markets (EEM), which includes Asia Pacific ex-Japan with the highest regional technical and PMO scores (and similar volatility).

** 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)*	66%	bullish	36.0	0.13	positive	deteriorating
2	78%	Asia Pacific ex-Japan (AAXJ)	116%	very bullish	55.4	3.89	positive	improving
3	73%	Gold Bullion (GLD)	48%	neutral	40.1	-0.64	negative	improving
4	57%	Japan (EWJ)	100%	very bullish	56.4	1.74	positive	improving
5	47%	US Small-caps (IWM)	109%	very bullish	53.0	2.59	positive	deteriorating
6	35%	Europe (IEV)	76%	bullish	46.0	0.75	positive	deteriorating
7	27%	US Large-caps (SPY)	107%	very bullish	68.0	2.53	positive	improving
8	6%	Short US Income (SGOV)	88%	very bullish	85.8	0.08	positive	improving
9	-18%	Very Long US Bonds (EDV)	6%	very bearish	33.4	-0.87	negative	deteriorating
		CI%	TS+	READ	RSI		PMO	+/-
		US Dollar	74%	bullish	62.7		positive	improving
		Commodities	120%	very bullish	61.1		positive	deteriorating
		US Oil	137%	very bullish	61.6		positive	deteriorating
		Ryan/CRB	80%	HIKE RATES				
		Volatility	18.4	reduced fear				

AAXJ is the best performing region YTD, and over 2, 13, 26, and 52 weeks. ILF has begun to fade in the last 13 weeks as Asia-Pacific shows renewed signs of life. Emerging markets continue to outperform.

YTD	FUND	05/15/26	05/08/26	13wk	26wk	39wk	52wk	3Y
21.1%	Asia Pacific ex-Japan (AAXJ)	-4.0%	6.7%	7.9%	25.4%	34.8%	48.7%	69.2%
13.1%	Latin America (ILF)	-5.4%	0.6%	-7.1%	19.3%	40.2%	43.4%	38.8%
12.8%	Japan (EWJ)	-1.2%	4.4%	-3.1%	22.0%	25.3%	38.4%	52.2%
12.8%	US Small-caps (IWM)	-2.3%	1.8%	5.0%	19.5%	22.6%	33.7%	37.9%
8.4%	US Large-caps (SPY)	0.2%	2.4%	7.1%	12.6%	15.6%	25.8%	45.6%
5.3%	Gold Bullion (GLD)	-3.8%	2.5%	-10.8%	11.5%	35.8%	41.8%	92.3%
2.8%	Europe (IEV)	-2.6%	1.0%	-3.8%	10.5%	12.1%	18.7%	33.7%
0.2%	Short US Income (SGOV)	0.1%	0.1%	0.4%	1.2%	2.3%	3.4%	8.5%
-5.4%	Very Long US Bonds (EDV)	0.0%	0.7%	-6.0%	-6.9%	-2.6%	-1.1%	-6.2%

Global Economy through MAY.24.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 LATIN AMERICA Breaks Short-Term Support-- ILF fell 5.4% this week, after gaining 0.6% last week. That left it bullish and still ranked 1 globally and more attractive than cash. It is however, falling fast of late. The index is down 7.1% for the quarter (13 weeks), although up 43.4% for the year (52 weeks).

#2 GOLD Retests Stop-Loss— GLD Bullion fell 3.8% this week, after gaining 2.5% last week. That left it neutral and ranked 2 globally and more attractive than cash. The index is down 10.8% for the quarter (13 weeks), and up 41.8% for the year (52 weeks).

#3 ASIA-PACIFIC Backs Off New High-- AAXJ fell 4.0% this week, after gaining 6.7% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 7.9% for the quarter (13 weeks), and up 48.7% for the year (52 weeks).

#4 JAPAN Tests Previous High-- EWJ fell 1.2% this week, after gaining 4.4% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is down 3.1% for the quarter (13 weeks), and up 38.4% for the year (52 weeks).

#5 US SMALL-CAPS Back Off-- IWM fell 2.3% this week, after gaining 1.8% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 5.0% for the quarter (13 weeks), and up 33.7% for the year (52 weeks).

#6 EUROPE Stalls—IEV fell 2.6% this week, after gaining 1.0% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is down 3.8% for the quarter (13 weeks), and up 18.7% for the year (52 weeks).

#7 US LARGE-CAPS Extend Their Run--SPY rose 0.2% this week, after gaining 2.4% last week. That left it very bullish and ranked 7 globally and more attractive than cash. The index is up 7.1% for the quarter (13 weeks), and up 25.8% for the year (52 weeks).

#8 CASH YIELD steady around 3.59% this week, 101 bpts below the 10-year yield. The yield curve is steepening, a bullish development for equities and negative for bonds. Cash yield underperforms six-month total return estimates for most of the nine assets we track, leaving cash ranked #8.

#9 LONG US TREASURIES Post 9-month Low—EDV fell 4.0% this week, after gaining 0.7% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 6.0% for the quarter (13 weeks) and down 1.1% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 24 ticks to 4.60% and the 3-month yield fell -1 to 3.59%, to with the yield curve steepening to 101 basis points. That reduces the odds of a recession in late 2026.

COMMODITIES Rebound-- DBC rose 2.9% this week after losing 1.7% last week. That left commodity prices up 29.9% for the quarter (13 weeks), and up 45.2% for the year (52 weeks). At $31.19 the CRB is above its short-term (50-day) average and its intermediate-term (200-day) average.

US DOLLAR Bounces Back-- UUP rose 1.6% this week, after losing 0.3% last week. It is currently bullish—up 4.4% for the quarter (13 weeks), and down 0.4% in the last year (52 weeks). At $27.77 UUP is above its short-term (50-day) average and its intermediate-term (200-day) average.

US ECONOMY: GOV'T DATA

CLAIMS UP. RETAIL SALES SOLID, INDUSTRIES PICK UP

US Economy: week of MAY.15.2026

THIS WEEK: Mixed

THE GOOD: WEEKLY EIA Crude Oil Inventories (-4.31M) draw deepens as oil prices rise. MAY Empire State Manufacturing (+19.6) beat consensus and prior. APR Existing Home Sales (4.02M) beat previous, but below consensus. APR NFIB Small Business Optimism (95.9) beat previous, but below consensus. APR Industrial Production (+0.7%) beat prior and targets. APR Capacity Utilization (76.1) expanding better than anticipated.

THE BAD: WEEKLY Initial Claims: (211K) up from prior and consensus. WEEKLY Continuing Claims (1782K) up from prior. APR Retail Sales (+0.5%) in line, below previous. APR Treasury Budget ($215.0B) higher than previous and consensus. MAR Business Inventories (+0.9%) heavy build.

THE UGLY: Nothing.

US ECONOMY: INFLATION DATA

Consumer, Producer, Ex-Im Prices Surge

US Inflation: week of MAY.15.2026

APR CPI (+0.6%) in line less hot than previous. (+3.8% y-o-y)
APR Core CPI (+0.4%) warmer in line (+2.8% y-o-y)
APR PPI:(+1.4%) hotter than prior and consensus. (+6.0% y-o-y)
APR Core PPI (+1.0%) hotter than prior and consensus. (+5.2% y-o-y)

APR Import Prices (+1.9%) hotter than previous. (+4.2% y-o-y)
APR Export Prices (+3.3%) hotter than previous. (+8.8% y-o-y)

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.
Q1 Productivity – Prelim (+0.8%) weaker than prior and consensus
Q1 Unit Labor Costs – Warm but cooler (+2.3%) 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: 17.62% (APR 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 4.0%

Atlanta Fed Current GDP Model (5/14/2026): Q2 Annualized 4.0% (Last week: Q2 Annualized +3.7%)

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.72T); FFR @ (3.50-3.75%)

Federal Reserve: week of MAY.15.2026

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 6.72T, (up +.01T) in the latest week (5/13/2026). 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 is Interim chair (as of May 15) until Kevin Warsh is sworn in as his replacement. Warsh is reputedly inclined to reduce the Fed balance sheet and be more hawkish. Meanwhile, futures make a 2026 rate cut highly unlikely (1%), while odds of a December Fed rate hike (51%) are now greater than 50-50.

The Fed Check at 77% turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at 4.08%, however, is now 46 bps HIGHER than the Fed overnight rate (3.625%), implying near-term US domestic conditions make a Fed rate hike increasingly likely.

The 3m-10y yield curve steepened to a slope of 101 bps this week, as the 10-year US Treasury yield rose to 4.60%, and the 3-month cash yield dipped to 3.59%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The 30d-10y median yield (4.10%) is just above its 200-day (3.96%). A rising median yield and a steepening yield curve are both bullish for stocks.

3-month SOFR yield at 3.56% is down this week, while the 3-month T-bill at 3.59% is also down. That puts the SOFR/T-Bill (SOF-T) spread at -3 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 (up .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 Bounces Back

US Dollar: UUP rose 1.6% this week, after losing 0.3% last week. It is currently bullish—up 4.4% for the quarter (13 weeks), and down 0.4% in the last year (52 weeks). At $27.77 UUP is above its short-term (50-day) average and its intermediate-term (200-day) average. Momentum in the greenback is positive but improving. RSI14 @ 62.7 is neither overbought nor oversold. As for other major currencies vs the Dollar, the Australian $ (FXA) is very bullish, and up 0.6% this week. The British Pound (FXB) is bullish, and up 0.4% this week. The Canadian Dollar (FXC) is neutral, and down 0.6% this week. The Euro Dollar (FXE) is neutral, and up 0.6% this week. The Swiss Franc (FXF) is bullish, and up 0.6% this week. The Japanese Yen FXY) is bearish, and up 0.3% this week.

The Dollar has rallied past 50-day resistance this week. It is basically following oil prices. Oil was up 11% this week and the Dollar gapped 1.6% higher. Rising oil prices correspond to inflation and the expectation of rising interest rates. Rising US interest rates in turn make US bonds more attractive and stoke the demand for Dollars. 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)	neutral	US$ Investors match hedged
Euro Dollar (FXE)	neutral	US$ investors match hedged (IEV>HEDJ)
Swiss Franc (FXF)	bullish	US$ investors underperform hedged
Japanese Yen (FXY)	bearish	US$ investors outperform hedged (EWJ<DXJ)
US Dollar	bullish	

#9 LONG US TREASURIES Post 9-month Low

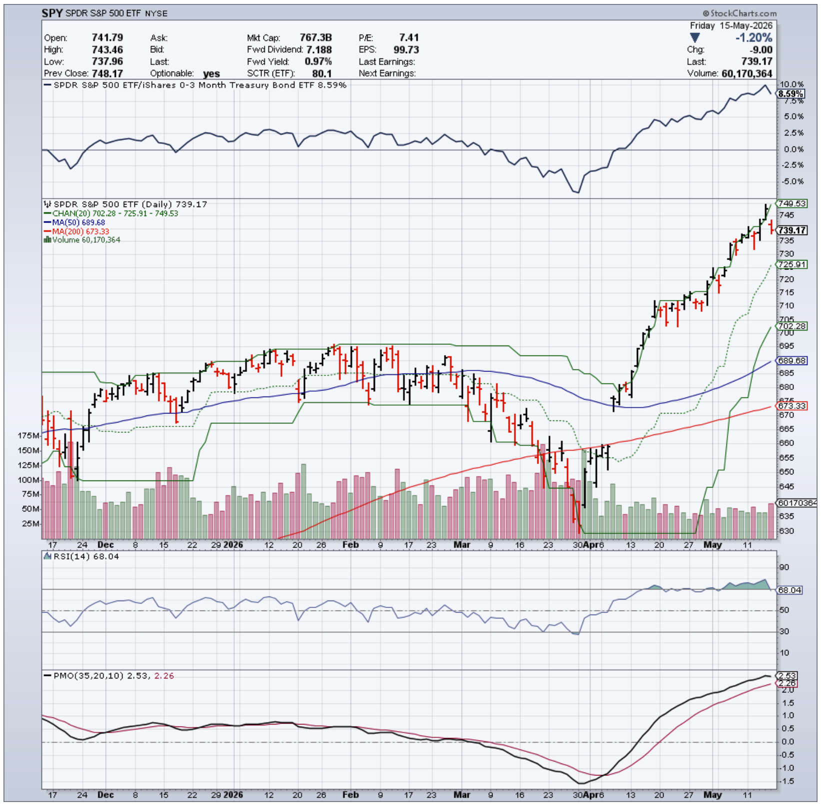
US Long Treasury Bonds: EDV fell 4.0% this week, after gaining 0.7% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 6.0% for the quarter (13 weeks) and down 1.1% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 24 ticks to 4.60 and the 3-month yield fell -1 to 3.59 with the yield curve steepening to 101 basis points. That reduces the odds of a recession in late 2026. At $61.47 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 33.4 means EDV is neither overbought nor oversold. As for currency effects a pricier Dollar this week makes Dollar-denominated assets more attractive Over time, a bullish Dollar improves return to Dollar investors in US assets.

Bond prices broke down in a death-cross two weeks ago, bounced last week, and resumed their retreat this week. EDV is at a nine-month low. EDV's 50-day remains below its 200-day in a deteriorating "death-cross" as oil prices surged 11% taking away any chance of a Fed rate cut in 2026 and increasing the chances of a rate hike.

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#7 US LARGE-CAPS Extend Their Run



US Large-Cap Stocks: SPY rose 0.2% this week, after gaining 2.4% last week. That left it very bullish and ranked 7 globally and more attractive than cash. The index is up 7.1% for the quarter (13 weeks), and up 25.8% for the year (52 weeks). At $739.17, 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 68.0 means spy is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Trump's expressed impatience with Iran and the unlikelihood China would help him get Iran to reopen Hormuz sent oil prices (WTI @$105) higher (+11%) this week. US large caps bounced through Thursday assisted by a surge in technology names, but the market backed off from being overbought after US consumer and producer inflation data came out and drove a stake through the heart of rate-cut hopes. SPY remains very bullish and its PMO positive and improving. Solid earnings and GDP growth have added to the optimism. In the US, uncertainty over the impact of AI on job growth, and uncertainty over the future (revised) US tariff regime remains. 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.

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 Back Off

US Small-Cap Stocks: IWM fell 2.3% this week, after gaining 1.8% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 5.0% for the quarter (13 weeks), and up 33.7% for the year (52 weeks). At $277.60, IWM is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 53.0 means IWM is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Trump's expressed impatience with Iran and the unlikelihood China would help him get Iran to reopen Hormuz sent oil prices (WTI @$105) higher (+11%) this week. US equities bounced Monday assisted by a surge in technology names, but the market soon faded as US consumer and producer inflation data came out and drove a stake through the heart of rate-cut hopes. IWM remains very bullish and its PMO positive and improving. Solid earnings and GDP growth have added to the optimism. In the US, uncertainty over the impact of AI on job growth, and uncertainty over the future (revised) US tariff regime remains. 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.

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:
Energy, Semiconductors, Technology

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 unchanged: positive; broad-- 70% of our sectors are buy or hold (L70%) with **BUYS at 44%** (L44%) and **HOLDS steady at 26% (L26%). Avoids are 30%**. Top candidates this week: Energy, Semiconductors, US Tech.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	US Oil Equip & Serv (IEZ)	59%	118%	very bullish	50.2	**3.19**	positive	deteriorating
100%	Semiconductors (SMH)	65%	137%	very bullish	66.0	**8.09**	positive	improving
54%	Gold Miners (GDX)	22%	35%	bearish	53.6	-1.11	negative	deteriorating
51%	Oil/Gas Expl & Prod (XOP)	28%	105%	very bullish	43.0	1.50	positive	deteriorating
37%	US Pharmaceuticals (IHE)	26%	**73%**	bullish	50.0	0.41	positive	improving
31%	Biotechnology (IBB)	19%	47%	neutral	49.2	0.18	positive	deteriorating
22%	US Technology (IYW)	16%	114%	very bullish	84.3	**5.09**	positive	improving
21%	Transports (IYT)	10%	73%	bullish	54.8	1.41	positive	deteriorating
21%	Industrials (XLI)	12%	87%	very bullish	53.5	1.05	positive	improving
21%	Select Materials (XLB)	14%	87%	very bullish	52.5	0.75	positive	deteriorating
19%	US Aerospace & Def (PPA)	8%	42%	neutral	46.9	-1.06	negative	deteriorating
14%	Utilities (XLU)	6%	67%	bullish	37.9	-0.05	negative	deteriorating
13%	**S&P 500 (SPY)**	**9%**	**101%**	**very bullish**	68.0	**2.25**	**positive**	**improving**
8%	Food & Beverage (PBJ)	6%	85%	very bullish	43.9	0.26	positive	deteriorating
8%	KB Banks (KBE)	5%	82%	very bullish	55.4	1.44	positive	deteriorating
6%	Consumer Staples (XLP)	6%	86%	very bullish	56.7	0.20	positive	improving
5%	REITs (VNQ)	4%	102%	very bullish	60.5	1.37	positive	improving
5%	Telecommunications (FCOM)	2%	79%	bullish	60.3	1.43	positive	improving
-1%	KBW Insurance (IAK)	-2%	18%	very bearish	44.4	0.04	positive	deteriorating
-1%	Media Portfolio (XLC)	-3%	66%	bullish	55.2	0.59	positive	improving
-3%	**CASH**	**-2%**	**11%**	**very bearish**	**44.8**	**-0.10**	**negative**	**deteriorating**
-5%	US Health Providers (IHF)	-1%	95%	very bullish	**72.7**	2.76	positive	improving
-5%	Capital Markets (KCE)	-3%	67%	bullish	64.0	1.93	positive	improving
-6%	Retail (XRT)	-4%	37%	bearish	51.7	0.63	positive	deteriorating
-10%	Bitcoin (BLOK)	-6%	85%	very bullish	66.1	4.61	positive	improving
-14%	DJ Internet Index (FDN)	-7%	76%	bullish	64.2	2.58	positive	improving
-15%	Home Construction (XHB)	-9%	19%	very bearish	45.4	0.02	positive	deteriorating
-27%	US Medical Devices (IHI)	-19%	0%	very bearish	29.1	-2.99	negative	deteriorating
-38%	Software (XSW)	-21%	38%	bearish	66.1	1.88	positive	improving

US Sector Top Performers: YTD (5/15/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
57.3%	Semiconductors (SMH)	**11.1%**	0.7%	**11.8%**	**40.4%**	**54.2%**	**96.0%**	**158.8%**	169.8%
45.2%	US Oil Equip & Serv (IEZ)	-5.3%	1.8%	-3.6%	18.9%	47.2%	74.8%	92.5%	41.7%
30.8%	Oil/Gas Expl & Prod (XOP)	-6.5%	**5.1%**	-1.4%	17.8%	31.7%	35.0%	48.8%	15.7%
19.5%	US Technology (IYW)	8.0%	1.8%	9.7%	20.3%	13.0%	31.8%	62.8%	85.6%
13.8%	Select Materials (XLB)	0.5%	-1.1%	-0.6%	4.7%	18.8%	18.6%	25.9%	20.5%
13.2%	Bitcoin (BLOK)	7.1%	0.0%	7.2%	8.4%	-8.7%	12.1%	55.5%	116.3%
11.7%	Industrials (XLI)	0.1%	0.3%	0.4%	4.7%	12.1%	15.5%	30.6%	45.9%
10.3%	Gold Miners (GDX)	8.6%	-7.7%	**0.9%**	0.4%	34.3%	74.2%	92.3%	**190.5%**
9.2%	REITs (VNQ)	0.6%	0.8%	1.4%	6.4%	9.1%	8.6%	10.8%	27.0%
9.0%	Food & Beverage (PBJ)	-2.3%	0.4%	-1.8%	2.0%	11.4%	2.7%	5.1%	5.4%

INTERNATIONAL MARKETS:
#2 GOLD Retests Stop-Loss

Gold Bullion: GLD fell 3.8% this week, after gaining 2.5% last week. That left it neutral and ranked 2 globally and more attractive than cash. The index is down 10.8% for the quarter (13 weeks), and up 41.8% for the year (52 weeks). At $417.29, GLD is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 40.1 means GLD is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Gold triggered a stop-loss two weeks ago, bounced last week, and retested its stop-loss this week. An 11% jump in oil prices, reduced the chances of a Fed rate cut in 2026 to nil and gold behaved accordingly. (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.) 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 Rebound

Commodities rose 2.9% this week after losing 1.7% last week. That left commodity prices up 29.9% for the quarter (13 weeks), and up 45.2% for the year (52 weeks). At $31.19 the CRB is above its short-term (50-day) average and its intermediate-term (200-day) average at (122). Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 61 means the CRB is neither overbought nor oversold.

The Crude Oil complex (USO) rose 11.0% this week, following last week's loss of 6.4% and currently very bullish. That leaves US oil prices up 92.5% for the quarter (13 weeks), and up 115.7% for the year (52 weeks). At $148.23 USO is above its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum (PMO) is positive but deteriorating, and its 14-day RSI of 61.6 means USO is neither overbought nor oversold. A cheaper Dollar this week makes commodities and oil more attractive. Over time, a bullish Dollar limits return to Dollar investors in commodities and oil but improves the region's trade competitiveness.

WTI oil prices rose to $105 this week as President Trump expressed impatience with Iran's inability to come to an acceptable agreement on either its nuclear aspirations or the Strait of Hormuz. Tanker traffic is still severely restricted in Hormuz and while Iran's traditional military is largely destroyed, its asymmetric capabilities still exist. Drones remain a concern in the region but mostly against fixed or visible targets as Iranian command and control has been severely degraded. In addition, a US blockade in and out of Iran has cut tanker traffic to a fraction 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 Stalls

European Large-Cap Stocks: IEV fell 2.6% this week, after gaining 1.0% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is down 3.8% for the quarter (13 weeks), and up 18.7% for the year (52 weeks). At $70.49, 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 46.0 means IEV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Global equities have been driven by technology, and Europe has accordingly lagged as growth concerns due to suddenly higher energy prices and uncertainty about Chinese demand for its exports intruded. Rising energy cost have made the ECB more cautious, delaying rate cut plans. That leaves Europe potentially exposed to an energy-driven stagflation shock. NOTE: A neutral Euro vs. Dollar keeps Europe (IEV +4) slightly outperforming the hedged version (HEDJ +3) of European equities and is currently weaker than the US (VTI +9). Across the pond, Netherlands (EWN +12) is alone in outperforming the US. Italy (EWI +6), Spain (EWP +6), Britain (EWU +6), Switzerland (EWL +4) and Ireland (EIRL +1) are laggards, while Denmark (EDEN -1), Germany (EWG -2), and France (EWQ -3) 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 Previous High

Japanese Stocks: EWJ fell 1.2% this week, after gaining 4.4% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is down 3.1% for the quarter (13 weeks), and up 38.4% for the year (52 weeks). At $91.07, EWJ 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 56.4 means EWJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Trump's expressed impatience with Iran and the unlikelihood China would help him get Iran to reopen Hormuz sent oil prices (WTI @$105) higher (+11%) this week. Asian equities started higher Monday on strength in Taiwanese and South Korean tech and semi-conductors but quickly dropped from overbought levels as revived inflation fears stifled waning rate cut hopes. 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 Backs Off New High

Asia-Pacific ex-Japan: AAXJ fell 4.0% this week, after gaining 6.7% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 7.9% for the quarter (13 weeks), and up 48.7% for the year (52 weeks). At $112.78, 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 55.4 means AAXJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Trump's expressed impatience with Iran and the unlikelihood China would help him get Iran to reopen Hormuz sent oil prices (WTI @$105) higher (+11%) this week. Asian equities started higher Monday on strength in Taiwanese and South Korean tech and semi-conductors but quickly dropped from overbought levels as revived inflation fears stifled waning rate cut hopes. Even so Asian equity markets (AAXJ +19) are still substantially more attractive than US stocks (VTI +9). South Korea (EWY +91) is a standout along with Taiwan (EWT +42). Australia (EWA +11) and Hong Kong (EWH +7) and are doing passably. Singapore (EWS +3), India (IMVP -9), and China (FXI -12), 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 Breaks Short-Term Support

Latin America 40: ILF fell 5.4% this week, after gaining 0.6% last week. That left it bullish and ranked 1 globally and more attractive than cash. The index is down 7.1% for the quarter (13 weeks), and up 43.4% for the year (52 weeks). At $34.45, ILF is below its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 36.0 means ILF is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Latin equities (ILF) triggered multiple stop-losses and broke below 50-day support this week. This after posting a new 52-week high four weeks ago. ILF remains the #1 regional index choice base on six-month performance, but as noted previously, ILF is very volatile and we don't follow it formally. If we did. we would have exited on the stop-loss despite its energy and trade advantages with the US. Latin stocks (ILF +14) are outperforming their US cousins (VTI +9) in Price-Performance vs cash since the tariff announcement 4/25. Mexico (EWW +15) and Brazil (EWZ +12) are strongest. Chile (ECH +5), Colombia (COLO +0) and Argentina (ARGT -5) are lagging the US. Canada (EWC +12) 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 a Risk-OFF week after 2 Risk-ON:
US Stocks MIXED, Foreign Stocks DOWN, 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
57%	**(AOA) Aggressive Growth**	**9%**	**99%**	**very bullish**	**57.4**	**1.71**	**positive**	**improving**
27%	(AOM) Moderate Growth & Inc	4%	88%	very bullish	52.9	0.84	positive	improving

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
6.9%	**(AOA) Aggressive Growth**	-1.1%	**2.1%**	**3.8%**	**8.9%**	**15.2%**	**23.3%**	**37.0%**
2.7%	(AOM) Moderate Growth & Inc	-1.1%	1.2%	1.4%	4.5%	8.5%	14.0%	23.3%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
98.4%	(AOM) Moderate Growth & Inc	92.90	95.71	97.28	97.28	78.60	91.87	88.75
98.8%	(AOA) Aggressive Growth	48.43	49.01	49.61	49.61	44.20	48.14	47.16

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**19.9%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	6.9%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.7%	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	**8.4%**	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	2.7%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%

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

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

INVESTMENT STRATEGIES:
THE US EQUITY STRATEGY TIMING MODEL

USE Strategy: HOLD US Small-Caps (IWM) since 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 a Risk-OFF week after 2 Risk-ON:
US Stocks MIXED, Foreign Stocks DOWN, Bonds DOWN and Gold DOWN.

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

IWM leads in CI, but not ROC. TS, or PMO, which is positive but deteriorating.

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.

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%**	**US Small-Caps (IWM)**	15%	109%	very bullish	53	2.59	positive	deteriorating
2	83%	US Momentum (MTUM)	**17%**	**119%**	**very bullish**	63	**4.90**	**positive**	**improving**
3	61%	US Growth (IUSG)	12%	112%	very bullish	69	3.63	positive	improving
4	57%	US Large-caps (SPY)	10%	107%	very bullish	68	2.53	positive	improving
5	56%	US Value (IUSV)	8%	94%	very bullish	58	1.18	positive	improving
6	48%	US Fundamentals (QUAL)	7%	99%	very bullish	63	1.64	positive	improving
7	46%	US High Dividend (SPYD)	7%	90%	very bullish	47	0.55	positive	deteriorating
8	46%	S&P Equal Weight (RSP)	6%	89%	very bullish	50	0.92	positive	deteriorating
9	12%	Cash (SGOV)	2%	88%	very bullish	86	0.08	positive	improving
10	5%	US Low Volatility (SPLV)	-1%	33%	bearish	39	-0.38	negative	deteriorating

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

Small-caps have the CI lead and are very bullish with a positive price momentum oscillator. IWM is however losing steam.

Best Alternatives: Performance-wise, MTUM is now leading year-to-date and is first over 2, 13, 26 weeks and 3 years. Momentum's sudden strength may push it into first place via CI soon, but it is overbought.

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	**19%**	**US Momentum (MTUM)**	-1.2%	**5.9%**	**17.8%**	**19.7%**	22.1%	31.6%	**64.7%**
2	13%	US Small-Caps (IWM)	-2.3%	1.8%	4.9%	14.0%	**27.0%**	**35.7%**	37.9%
3	11%	US Growth (IUSG)	**0.5%**	4.0%	12.6%	11.2%	20.1%	32.7%	60.9%
4	8%	US Large-caps (SPY)	0.2%	2.4%	7.3%	9.7%	17.2%	27.2%	45.6%
5	7%	US High Dividend (SPYD)	-1.0%	-0.4%	-0.7%	11.7%	11.4%	11.8%	24.0%
6	6%	US Fundamentals (QUAL)	0.0%	1.6%	3.6%	8.3%	14.4%	20.3%	32.2%
7	5%	US Value (IUSV)	-0.5%	0.3%	0.8%	8.3%	14.2%	20.5%	26.3%
8	5%	S&P Equal Weight (RSP)	-1.2%	0.6%	0.1%	8.5%	11.8%	16.0%	25.6%
9	1%	US Low Volatility (SPLV)	-0.4%	-2.1%	-2.8%	3.3%	0.2%	3.3%	15.4%
10	0%	Cash (SGOV)	0.1%	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 a Risk-OFF week after 2 Risk-ON:
US Stocks MIXED, Foreign Stocks DOWN, Bonds DOWN and Gold DOWN.

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

Emerging Markets lead in overall confidence and rate of change, technical strength and positive PMO.

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	**78%**	**Emerging Markets (EEM)**	**114%**	**very bullish**	**53.7**	**3.42**	**positive**	**improving**
2	73%	Gold Bullion (GLD)	48%	neutral	40.1	-0.64	negative	improving
3	47%	US Small-caps (IWM)	109%	very bullish	53.0	2.59	positive	deteriorating
4	32%	Developed Markets (EFA)	81%	very bullish	48.7	0.99	positive	improving
5	27%	US Large-caps (SPY)	107%	very bullish	68.0	2.53	positive	improving
6	6%	Short US Income (SGOV)	88%	very bullish	85.8	0.08	positive	improving
7	-18%	Very Long US Bonds (EDV)	6%	very bearish	33.4	-0.87	negative	deteriorating

Performance-wise, EEM leads year-to-date and the past two weeks, 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	05/15/26	05/08/26	13wk	26wk	39wk	52wk
1	**18.9%**	**Emerging Markets (EEM)**	-4.2%	**5.9%**	5.7%	**22.1%**	32.3%	**44.1%**
2	12.8%	US Small-caps (IWM)	-2.3%	1.8%	5.0%	19.5%	22.6%	33.7%
3	8.4%	US Large-caps (SPY)	0.2%	2.4%	**7.1%**	12.6%	15.6%	25.8%
4	5.9%	Developed Markets (EFA)	-2.2%	1.8%	-2.3%	11.9%	12.3%	19.6%
5	5.3%	Gold Bullion (GLD)	-3.8%	2.5%	-10.8%	11.5%	**35.8%**	41.8%
6	0.2%	Short US Income (SGOV)	0.1%	0.1%	0.4%	1.2%	2.3%	3.4%
7	-5.4%	Very Long US Bonds (EDV)	0.0%	0.7%	-6.0%	-6.9%	-2.6%	-1.1%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**19.9%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	6.9%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	2.7%	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 a Risk-OFF week after 2 Risk-ON:
US Stocks MIXED, Foreign Stocks DOWN, Bonds DOWN and Gold DOWN.
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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, technical strength, 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, but lately US large caps have attracted attention as well.

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**International Fund (I)**	**18%**	**107%**	**very bullish**	**52.7**	1.91	**positive**	**improving**
2	66%	Lifetime 2060	13%	107%	very bullish	59.4	2.22	positive	improving
3	55%	Lifetime 2050	11%	106%	very bullish	59.1	1.84	positive	improving
4	49%	US Large-caps (C)	10%	107%	very bullish	67.5	**2.53**	positive	improving
5	49%	Lifetime 2040	9%	105%	very bullish	59.2	1.64	positive	improving
6	42%	US Small-caps (S)	**8%**	93%	very bullish	51.0	1.94	positive	deteriorating
7	39%	Lifetime 2030	8%	104%	very bullish	59.6	1.30	positive	improving
8	22%	Long-term Inc (L)	4%	102%	very bullish	60.9	0.73	positive	improving
9	5%	Short-term Inc (G)	1%	101%	very bullish	100.0	0.17	positive	improving
10	-2%	Fixed Income (F)	-1%	32%	bearish	35.4	-0.11	negative	deteriorating

TSP Lifetime & Index Funds: Performance Progression

Performance leader Fund I not only leads YTD but over 26, 39 and 52 weeks. Near term US large-caps have garnered more interest over the last 2 and 13 weeks.

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**International Fund (I)**	-2.3%	**3.0%**	4.6%	**15.5%**	**21.5%**	**31.0%**	**11.7%**	43.9%
2	Lifetime 2030	-1.0%	2.4%	6.1%	11.3%	17.1%	27.0%	9.6%	43.0%
3	US Large-caps (C)	**0.2%**	2.4%	**7.5%**	9.3%	15.6%	25.8%	8.7%	**44.8%**
4	Lifetime 2040	-0.9%	2.0%	5.2%	9.5%	14.5%	22.9%	8.1%	36.9%
5	US Small-caps (S)	-2.1%	1.0%	4.8%	8.0%	11.6%	21.7%	7.8%	33.5%
6	Lifetime 2060	-0.8%	1.8%	4.7%	8.6%	13.1%	20.5%	7.3%	33.4%
7	Lifetime 2050	-0.6%	1.4%	3.8%	7.2%	11.0%	17.3%	5.9%	28.8%
8	Long-term Inc (L)	-0.3%	0.7%	2.5%	4.7%	7.0%	10.3%	3.8%	18.2%
9	Short-term Inc (G)	0.1%	0.1%	1.2%	2.3%	3.3%	4.4%	1.6%	9.0%
10	Fixed Income (F)	-1.1%	0.3%	-0.7%	-0.3%	1.6%	4.5%	-0.6%	9.6%

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

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	9.6%	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	8.1%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	7.3%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	6.7%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	5.9%	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

INFLATION RETURNS

As regular Moose readers are aware, global markets have been predicting inflation for months. Our Fed Check began indicating the need for a Fed rate hike January 28 when the price of commodities (real stuff) appreciably began to outpace the price of US Treasury bonds (the paper promises used to pay for stuff). Three months later, between US tariffs, a war in Iran, and a deer-in-the-headlights do-nothing Fed, inflation pressures have built to a point at which they can no longer be ignored. April price data came out this week, and it was ugly.

Consumer prices rose 0.6% in April, following a 0.9% jump in March. That left the CPI up 3.8% over the past 12 months— the highest annual rate since May 2023 and well above the Fed's 2% "target". Core-CPI (ex. Food and energy) is up 2.8% on the year, better but also above target. (With beef up close to 15% in a year, those Memorial day burgers may seem a bit pricey.)

Producer prices surged 1.4% in April, the largest monthly jump in four years. That left the PPI up 6.0% over the past 12 months— the highest annual rate since May 2023 and well above the Fed's 2% "target". Core-PPI (ex. Food and energy) is up 5.2% on the year, accelerating for the sixth consecutive month.

Inside the indices, a 7.8% monthly spike in energy prices drove much of the goods-side increase, with gasoline up 15.6%. Final demand for services rose 1.2%, led by a 5.0% surge in transportation and warehousing. Further up the supply chain, prices for unprocessed goods for intermediate demand advanced 20.9% year-over-year, the largest 12-month rise since September 2022, driven heavily by crude petroleum (+11.3% in the month). Pressures however are broad based and well beyond energy.

As for global trade, Import prices rose 1.9% in April, more than double the 0.9% jump in March, with both fuel and nonfuel imports contributing. Over the past 12 months, import prices are up 4.2%. Meanwhile, export prices jumped 3.3% in April, with both agricultural and nonagricultural goods higher. Over the past year, US export prices are up 8.8%.

The Fed has kept its benchmark rate in the 3.5%–3.75% range, and CME futures now point to a 1% chance of a rate cut by year-end. Odds of a rate hike, meanwhile, climbed from 10% last week to around 51% following the PPI report. The pipeline picture is particularly concerning with producer prices running at 6% and import prices at 4.2% annually, there is significant pressure still working its way toward consumers. Core CPI at 2.8% may have further to rise, putting more pressure on the new Fed chair to hike rates.