MOOSECALLS

Global Financial News & Analysis
JUL.10.2026 through JUL.19.2026

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EXECUTIVE SUMMARY: JUL.10.2026

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— MIXED-Risk (2)

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

EQUITIES MIXED AFTER CEASEFIRE COLLAPSES

It is no surprise that the recent memorandum of understanding between Iran's Islamic Revolution and the US has unraveled. Folks accustomed to strapping explosives to their chests in order to get their way do not have the same concept of self-interest as those who don't. Bond prices (-2.0%) fell for a second week as oil (+4.5%) rose above $70 and barrel and commodities surged (+3.6%). That pushed the US ten-year yield up 8 bps to 4.57% and the three-month yield up 1 tick to 3.70%, steepening the yield curve to 87 basis points. Equities were less definitive. US Large-cap US stocks (+1.4%) rallied for a second week while small caps (-0.5%) retreated again. Abroad, Latin America (+2.4%), Asia Pacific (+2.0%) and Japan (+1.5%) rebounded, while Europe (-1.1%) gave some back. The Dollar improved (+0.2%) weakening gold (-0.3%). There were no changes to the models this week.

GLOBAL OUTLOOK POSITIVE (3 of 4). (unchanged this week). War has the Baltic Dry Index, copper prices and bond yields higher over the last 13 weeks, all positives. Only oil is down for the quarter.

INFLATION: No new price data. Oil prices rose this week and are now back above $70 per barrel, but they are still down this quarter. Global inflation per the Fed Check (92) still warrants tightening, but it has improved amid falling oil prices and rate hikes in Europe and Japan.

US ECONOMIC DATA: SERVICES EXPANDING MORE SLOWLY. Recession chance a year out minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q2) UP as of 7/8: 1.3%.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.74 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting is in late July (7/29). Fed Chairman Kevin Warsh replaced Jerome Powell May 22. Iran war has spiked inflation fears. Fed Check (92) is improving but remains hawkish as of 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) The odds are 65% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (85%) is the most likely outcome.

INVESTMENT STRATEGIES: No change. The TSP model holds small-cap equities (S Fund). The GLOBAL Index model holds Emerging Markets (EEM). USES model holds Momentum since 5/22/26.

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications stay positive (3 of 4) for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index is at 2944 this week, up from 2717 last week and up 34% after 13 weeks, a positive signal.** (After opening 2026 at 1882, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price is up to $71.41 this week, and down (-25%) in the latest quarter, a negative** economic signal. (Oil remains below its 2022 peak ($130), but well above the 2020 Covid low ($10).)

Our proxy for global construction, **copper is $6.28, up this week, and up 7% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.57% this week, a 25 basis point rise over the past 13 weeks, and a positive** bet on the largest world economy.

GLOBAL RANKING: Asia-Pacific Top Region

Index Moose
ETF Rankings
through
JUL.19.2026

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

Asia-Pacific ex-Japan leads in regional global momentum since 6/3/2026, despite recent weakness.

AAXJ leads in overall confidence. Technical strength is very bullish. Though AAXJ is the #1 regional choice, it is very volatile. The best offshore alternative at the moment remains the more diversified emerging markets (EEM). US Small-caps came on strong after rate hikes in Europe and Japan in June.

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

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Asia Pacific ex-Japan (AAXJ)	84%	very bullish	49.3	1.09	positive	deteriorating
2	83%	US Small-caps (IWM)	101%	very bullish	54.1	**1.76**	positive	deteriorating
3	77%	Japan (EWJ)	85%	very bullish	56.0	1.11	positive	deteriorating
4	62%	Latin America (ILF)	39%	bearish	56.5	-0.55	negative	improving
5	45%	Europe (IEV)	90%	very bullish	54.0	0.90	positive	improving
6	33%	US Large-caps (SPY)	**103%**	very bullish	59.5	0.86	positive	improving
7	9%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
8	-4%	Gold Bullion (GLD)	12%	very bearish	42.9	-2.68	negative	improving
9	-19%	Very Long US Bonds (EDV)	19%	very bearish	40.2	0.08	positive	deteriorating
		US Dollar	94%	very bullish	61.3		positive	deteriorating
		Commodities	52%	neutral	45.5		negative	improving
		US Oil	46%	neutral	40.2		negative	deteriorating
		Ryan/CRB	80%	HIKE RATES				
		Volatility	15.0	reduced fear				

AAXJ is the best performing region YTD, and over 13, and 26, weeks. It has previously recovered from a couple of major hits in the last month but is weakening. ILF continues to fade near term. Volatility aside, however, emerging market equities continue to outperform those of developed markets due to June rate hikes in Europe and Japan. NOTE: US Small-caps are in second place YTD despite a two-week fade.

YTD	FUND	07/10/26	07/02/30	13wk	26wk	39wk	52wk	3Y
24.8%	Asia Pacific ex-Japan (AAXJ)	2.0%	-2.5%	**19.7%**	**18.9%**	28.7%	45.2%	67.6%
20.2%	US Small-caps (IWM)	-0.5%	-0.8%	17.4%	13.8%	22.2%	35.0%	50.0%
17.1%	Japan (EWJ)	1.5%	0.4%	11.2%	12.6%	25.5%	43.8%	55.9%
13.3%	Latin America (ILF)	**2.4%**	-0.4%	-1.9%	9.8%	**32.2%**	**45.3%**	57.6%
10.7%	US Large-caps (SPY)	1.4%	2.2%	14.9%	9.4%	13.8%	22.5%	40.3%
6.1%	Europe (IEV)	-1.1%	**2.6%**	7.7%	5.3%	14.9%	19.9%	41.6%
0.1%	Short US Income (SGOV)	0.1%	-0.2%	0.9%	1.8%	2.8%	3.9%	8.9%
-4.2%	Very Long US Bonds (EDV)	-2.0%	-2.6%	-2.2%	-2.8%	-4.6%	2.1%	-5.9%
-4.9%	Gold Bullion (GLD)	-0.3%	1.2%	-12.7%	-10.6%	2.9%	22.0%	**72.9%**

Global Economy through JUL.19.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

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

#1 ASIA-PACIFIC Holds At 50-day: AAXJ rose **2.0%** this week, after losing **2.5%** last week. That left it **very bullish** and ranked **1** globally and **more** attractive than cash. The index is **up 19.7%** for the quarter (13 weeks), and **up 45.2%** for the year (52 weeks).

#2 US SMALL-CAP Rally Slows Further: IWM fell **0.5%** this week, after losing **0.8%** last week. That left it **very bullish** and ranked **2** globally and **more** attractive than cash. The index is **up 17.4%** for the quarter (13 weeks), and **up 35.0%** for the year (52 weeks).

#3 JAPAN Maintains Short-term Support: EWJ rose **1.5%** this week, after gaining **0.4%** last week. That left it **very bullish** and ranked **3** globally and **more** attractive than cash. The index is **up 11.2%** for the quarter (13 weeks), and **up 43.8%** for the year (52 weeks).

#4 **LATIN AMERICA Slides With 50-Day**: ILF rose **2.4%** this week, after losing **0.4%** last week. That left it **bearish** and ranked **4** globally and **more** attractive than cash. The index is **down 1.9%** for the quarter (13 weeks), **but up 45.3%** for the year (52 weeks).

#5 **EUROPE's Advance Slows**: IEV fell **1.1%** this week, after gaining **2.6%** last week. That left it **very bullish** and ranked **5** globally and **more** attractive than cash. The index is **up 7.7%** for the quarter (13 weeks), and **up 19.9%** for the year (52 weeks).

#6 US LARGE-CAPS Touch Buy-Stop: SPY rose **1.4%** this week, after gaining **2.2%** last week. That left it **very bullish** and ranked **6** globally and **more** attractive than cash. The index is **up 14.9%** for the quarter (13 weeks), and **up 22.5%** for the year (52 weeks).

#7 US Cash Yield Steady: The three-month T-Bill yield is 3.70%, up from last week. The cash yield is close to the Fed overnight rate (3.625%) following the 6/17 FOMC meeting at which no changes in rate policy were expected or made. Meanwhile, the two-year Treasury is yielding 4.18%, a 56 basis-point premium to cash

#8 GOLD's Oversold Bounce Slows: GLD fell **0.3%** this week, after gaining **1.2%** last week. That left it **very bearish** and ranked **8** globally and **less** attractive than cash. The index is **down 12.7%** for the quarter (13 weeks), **but up 22.0%** for the year (52 weeks).

#9 LONG US TREASURIES Sink Below Trends: EDV fell **2.0%** this week, after losing **2.6%** last week. That left it **very bearish** and ranked **9** globally and **less** attractive than cash. Long bonds are **down 2.2%** for the quarter (13 weeks), **but up 2.1%** for the year (52 weeks) as yields have risen.

COMMODITIES Recover As Ceasefire Ends: A **neutral** CRB rose **3.6%** this week after gaining **1.9%** last week. Commodity prices are **down 4.0%** for the quarter (13 weeks), **but up 23.5%** for the year (52 weeks). At **$27.52**, the CRB is **below** its short-term (50-day) average and **above** its intermediate-term (200-day) average.

CRUDE OIL Up For a 2nd Week: The broader oil complex (USO) rose **4.5%** this week, following last week's **4.2% gain**, and is currently **neutral**. US oil prices are **down 12.4%** for the quarter (13 weeks), **but up 41.3%** for the year (52 weeks). At **$108.70**, USO is **below** its short-term (50-day) average and **above** its intermediate-term average.

US DOLLAR Fades Off Its Top: UUP rose **0.2%** this week, after gaining **0.2%** last week. It is currently **very bullish**, **up 2.7%** for the quarter (13 weeks), and **up 4.8%** over the past year (52 weeks). At **$28.39**, UUP is **above** both its short-term (50-day) and intermediate-term (200-day) averages.

US ECONOMY: JUL.10.2026:

OVERALL: LIGHT

PRODUCTION: MANUFACTURING POSITIVE BUT SLOWING

(+) WEEKLY EIA Crude Oil Inventories (+3.0M) build appears as oil prices rise.
MAY Industrial Production (+0.1%) lagged prior and targets.
MAY Capacity Utilization (76.2) improved by less than anticipated.
(-) JUN S&P Global U.S. Manufacturing PMI – (53.9) expanding, DOWN from previous.
(+) JUN S&P Global U.S. Services PMI – (51.3) final, expanding, in line.
(-) JUN ISM Manufacturing Index (53.3) BELOW prior and consensus.
(-) JUN ISM Services Index (54.0) expanding, below prior and consensus.

CONSTRUCTION: MAY WEAKER THAN EXPECTED

(-) MAY Housing Starts (1177K) below previous and well below expectations.
(-) MAY Building Permits (1413K) below consensus and prior.
(+) MAY Existing Home Sales (4.17M) beat previous and consensus.
(-) MAY New Home Sales (580K) down from prior more than expected.
(-) MAY Construction Spending (+0.1%) LAGGED prior and consensus.

INFLATION: PCE PRICES RISING

MAY CPI (+0.5%) in line less hot than previous. (+4.2% y-o-y)
MAY Core CPI (+0.2%) cooler than previous (+2.9% y-o-y)
MAY PPI:(+1.1%) hot as prior and above consensus. (+6.5% y-o-y)
MAY Core PPI (+0.4%) hotter than prior and consensus. (+4.9% y-o-y)
MAY Import Prices (+1.9%) in line with previous. (+6.7% y-o-y)
MAY Export Prices (+1.3%) hotter from previous. (+11.2% y-o-y)
(-) MAY PCE Prices (+0.4%) as expected. (1yr 4.1% up.)
(-) MAY PCE Prices – Core (+0.3%) as expected. (1yr 3.4% up.)

JOBS: JUNE PAYROLL DATA WEAK

(+) Weekly initial Claims (215K) below previous and forecasts.
(-) Weekly Continuing Claims (1814K) slightly higher this week after prior revisions.
(-) JUN ADP Private Payrolls (98K) DOWN from previous more than expected.
(-) JUN Nonfarm Payrolls (57K) much weaker than previous and consensus.
(-) JUN Unemployment rate (+4.2%) down a tick due to shrinking labor force participation.
(-) JUN Average Hourly Earnings (+0.3%) in line, but below inflation rate.
(-) JUN Average workweek (34.3) unchanged.
(+) MAY JOLTS Job openings (7.594) UP from prior after revision lower.
JOLTS Separations

CONSUMPTION: JUNE CONFIDENCE UNIMPRESSIVE

MAY Retail Sales (+0.9%) beat consensus and previous.
JUN Consumer Confidence (91.2) UP from prior after downward revision, but below consensus.
(-) MAY Durable Orders (-4.5%) correcting after 8.5% surge in April.
(+) MAY Personal Income up strong (+0.7%), better than expected and prior.
(+) MAY Personal Spending (+0.7%) better than expected and prior.
(+) MAY Michigan Consumer Sentiment (49.5) still contracting but improving and better than anticipated.
MAY NFIB Small Business Optimism (95.3) strong but below prior (95.6).
(-) MAY Trade Deficit (-$77.6B) greater than previous and consensus.

GDP & RECESSION INDICATORS: IMPROVE

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

RECESSION THREAT: MINIMAL, RISING

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

ATLANTA FED: US Q2 GDP NOW at 1.3%

Atlanta Fed Current GDP Model (7/8/2026): Q2 Annualized 1.3% (Last week: Q2 Annualized +1.2%)

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.74T); FFR @ (3.50-3.75%)

Federal Reserve: week of JUL.10.2026

Currently, the Fed's balance sheet is **6.74T, (UP +.02T)** in the latest week (**7/8/2026**). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change since at the January, March, April or June FOMC meetings.

The next FOMC meeting is July 29. Trump replaced Jerome Powell with Kevin Warsh in the chair on May 22 and he chaired his first FOMC meeting June 17. No near-term rate hikes are expected, but a more hawkish tone suggests supply-side inflation pressures brought on by the war with Iran may eventually force rate hikes by year-end. **The odds are 65% that rates will remain unchanged at the next meeting in July. By December, however, a Fed rate HIKE (85%) is the most likely outcome.**

The Fed Check at **92%** turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at **4.22%,** however, is now **60** bps HIGHER (and rising) than the Fed overnight rate (3.625%), implying near-term US domestic conditions make a Fed rate hike increasingly likely.

The **3m-10y yield curve steepened to a slope of 87 bps** this week, as the 10-year US Treasury yield rose to **4.57%**, and the 3-month cash yield rose to **3.70%**. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The 30d-10y median yield (**4.14%**) is above its 200-day (**3.94%**). A rising median yield and a steepening yield curve are both bullish for stocks.

3-month SOFR yield at 3.53% is lower this week, while the 3-month T-bill at 3.70% is up a tick. That puts the SOFR/T-Bill (SOF-T) spread at -17 basis points, below its 200-day average of +11 bps. **A falling SOF-T spread signals a safer, more confident financial system.**

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

Latest FOMC Assessment (2026.6.17) The Federal Open Market Committee approved the following statement for release by a 12 – 0 vote: The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve's dual mandate. The Committee reaffirmed its policy of maintaining ample reserves in the banking system. Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability. (Next Meeting: 7/29/2026)

US Currency Market:
US DOLLAR Fades Off Its Top

US Dollar: UUP rose 0.2% this week, after gaining 0.2% last week. It is currently very bullish—up 2.7% for the quarter (13 weeks), and up 4.8% in the last year (52 weeks). At $28.39, UUP is above its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is positive but deteriorating. RSI14 @ 61.3 is neither overbought nor oversold. As for other major currencies vs. the Dollar, the Australian Dollar (FXA) is neutral, and down 0.0% this week. The British Pound (FXB) is bearish, and up 0.6%. The Canadian Dollar (FXC) is very bearish, and up 0.3%. The Euro (FXE) is very bearish, and down 0.3%. The Swiss Franc (FXF) is very bearish, and down 0.4%, and the Japanese Yen (FXY) is very bearish and up 0.3%.

The Dollar rally has stalled for a second week on fractional gains. The new Fed chair's more hawkish tone plus an unexpectedly weak jobs report are giving currency traders pause. The Dollar has essentially followed oil prices and interest rates higher, but with oil and rates both down for three straight weeks, the script had flipped. Doubt about the durability any deal with Iran leading to lower oil prices promotes an expectation of Fed rate hikes later in the year – good for the Dollar. Concern about job weakness in the face of AI does the opposite. Along with war, which traditionally makes the Dollar a safe haven, US tariffs remain a positive for the greenback despite the last Supreme Court ruling. As oil prices 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)	neutral	US$ Investors outperform hedged
British Pound (FXB)	bearish	US$ Investors outperform hedged
Canadian Dollar (FXC)	very bearish	US$ Investors outperform hedged
Euro Dollar (FXE)	very bearish	US$ investors outperform hedged (IEV>HEDJ)
Swiss Franc (FXF)	very bearish	US$ investors outperform hedged
Japanese Yen FXY)	very bearish	US$ investors outperform hedged (EWJ<DXJ)
US Dollar	very bullish	

#9 LONG US TREASURIES Sink Below Trends

US Long Treasury Bonds: EDV fell 2.0% this week, after losing 2.6% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 2.2% for the quarter (13 weeks) but up 2.1% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 8 ticks to 4.57% and the 3-month yield rose 1, to 3.70 with the yield curve steepening to 87 basis points. That reduces the odds of a recession in mid 2027. At $62.25, US Treasury bonds are below their short-term (50-day) average and below their intermediate-term (200-day) average. Momentum (PMO) is positive and deteriorating, and its 14-day RSI of 40.2 means EDV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Long Bond prices ended their six-week fight higher last week as an unexpectedly weak June jobs report reduced the likelihood of a near term Fed rate hike. EDV continued lower this week, giving up both its 50 and 200-day support levels and triggering stop-losses in the process. That reaffirmed late April's "death-cross" which limits chances of a Fed rate cut in 2026 and increases 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%).

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US Equity Market:
#6 US LARGE-CAPS Touch Buy-Stop

US Large-Cap Stocks: SPY rose 1.4% this week, after gaining 2.2% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 14.9% for the quarter (13 weeks), and up 22.5% for the year (52 weeks). At $754.95, 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 59.5 means SPY is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Large cap growth recovered for a second straight week, touching a buy-stop for the first time since early June. After June's global AI/tech and energy sell-off, semiconductors technology and energy rebounded this week as the previous rotation into pharma, health providers, and biotech pulled backed. With an unexpectedly weak June US jobs report and recent rate hikes in Europe and Japan the Fed is unlikely to hike rates soon, a boon for the large cap tech play where solid earnings continue to add to the optimism. That said, 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 favorable corporate 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:
#2 US SMALL-CAP Rally Slows Further

US Small-Cap Stocks: IWM fell 0.5% this week, after losing 0.8% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 17.4% for the quarter (13 weeks), and up 35.0% for the year (52 weeks). At $295.99, 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 54.1 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.

US small cap stocks slipped lower for a second week. An unexpectedly weak June jobs report started the negativity rolling and an end to the US-Iran ceasefire extended it. Small caps had been making a 3-month run, not only beating US large caps but beating international stocks as well since Europe and Japan hiked rates. With oil prices back above $70, however, that run is in question. Uncertainty over the impact of AI on job growth, and over the future US tariff regime remains. On a positive note, solid earnings and PE ratios well below those of large caps have investor optimism in small caps growing. Moreover, the larger issues of taxation, fiscal spending, and the debt ceiling are settled. 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:
Oil Services & Exploration, 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 up; positive; broad-- 85% of our sectors are buy or hold (L82%) with **BUYS down to 44%** (L52%) and **HOLDS up to 41% (L30%). Avoids are down at 15% (L18%)**. Top performers this week: Semiconductors, Energy, and US Technology. Worst: Biotech, Industrials, Health Providers.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	77%	103%	very bullish	**51.0**	3.61	positive	deteriorating
41%	US Oil Equip & Serv (IEZ)	30%	38%	bearish	44.7	-3.32	negative	deteriorating
29%	US Pharmaceuticals (IHE)	22%	116%	very bullish	62.1	3.48	positive	improving
27%	US Technology (IYW)	26%	103%	very bullish	54.8	1.99	positive	deteriorating
25%	Transports (IYT)	24%	109%	very bullish	61.5	2.17	positive	improving
24%	Oil/Gas Expl & Prod (XOP)	19%	49%	neutral	48.3	-1.66	negative	improving
23%	Select Materials (XLB)	17%	57%	neutral	47.9	0.03	positive	deteriorating
23%	KB Banks (KBE)	19%	106%	very bullish	60.5	2.19	positive	improving
23%	Industrials (XLI)	20%	101%	very bullish	54.6	1.61	positive	deteriorating
17%	US Health Providers (IHF)	18%	121%	very bullish	**68.6**	4.02	positive	improving
16%	US Aerospace & Def (PPA)	17%	74%	bullish	49.4	1.00	positive	improving
16%	Biotechnology (IBB)	15%	116%	very bullish	64.1	3.94	positive	improving
12%	**S&P 500 (SPY)**	**12%**	**103%**	**very bullish**	**59.5**	**0.86**	**positive**	**improving**
11%	Consumer Staples (XLP)	8%	86%	very bullish	50.4	0.15	positive	deteriorating
9%	Retail (XRT)	8%	58%	neutral	57.7	1.34	positive	deteriorating
9%	Food & Beverage (PBJ)	7%	45%	neutral	56.6	-0.25	negative	improving
8%	REITs (VNQ)	7%	98%	very bullish	51.5	0.60	positive	deteriorating
8%	KBW Insurance (IAK)	9%	113%	very bullish	67.3	2.90	positive	improving
7%	Home Construction (XHB)	5%	57%	neutral	49.3	1.91	positive	deteriorating
6%	Gold Miners (GDX)	-1%	6%	very bearish	42.7	-3.56	negative	improving
5%	Capital Markets (KCE)	9%	90%	very bullish	57.1	0.75	positive	improving
0%	Utilities (XLU)	1%	54%	neutral	52.6	0.36	positive	improving
-1%	Telecommunications (FCOM)	2%	36%	bearish	56.7	-0.49	negative	improving
-2%	Bitcoin (BLOK)	7%	60%	neutral	47.6	0.48	positive	deteriorating
-4%	**CASH**	**-4%**	**0%**	**very bearish**	**43.5**	**-0.10**	**negative**	**deteriorating**
-6%	DJ Internet Index (FDN)	2%	83%	very bullish	60.7	0.60	positive	improving
-7%	Media Portfolio (XLC)	-3%	11%	very bearish	54.3	-1.08	negative	improving
-16%	Software (XSW)	-3%	87%	very bullish	59.7	2.72	positive	improving
-26%	US Medical Devices (IHI)	-18%	27%	bearish	56.3	0.74	positive	improving

US Sector Top Performers: YTD (6/26/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
69.7%	**Semiconductors (SMH)**	3.2%	-3.2%	0.0%	**55.9%**	**68.2%**	**81.2%**	**114.9%**	**128.6%**
31.3%	US Oil Equip & Serv (IEZ)	**6.0%**	-4.9%	1.1%	-3.2%	30.9%	44.2%	54.3%	27.5%
25.6%	Oil/Gas Expl & Prod (XOP)	2.5%	0.0%	**2.5%**	-9.3%	24.4%	21.1%	23.0%	11.5%
25.2%	US Technology (IYW)	2.7%	1.6%	**4.3%**	35.7%	24.1%	26.1%	42.0%	62.1%
18.9%	US Health Providers (IHF)	-0.9%	3.4%	2.5%	35.3%	18.2%	14.8%	24.9%	12.2%
18.5%	US Pharmaceuticals (IHE)	-0.4%	1.8%	1.4%	15.0%	17.8%	36.3%	52.1%	58.7%
18.3%	Transports (IYT)	0.1%	0.9%	1.1%	17.8%	18.3%	23.9%	25.9%	38.7%
17.3%	Industrials (XLI)	-1.1%	1.5%	0.4%	10.6%	16.3%	18.4%	22.3%	53.0%
13.8%	Biotechnology (IBB)	-1.9%	**4.5%**	2.6%	12.9%	13.7%	28.5%	45.5%	42.9%
13.3%	KB Banks (KBE)	0.2%	0.3%	0.5%	14.4%	12.2%	17.6%	19.3%	55.3%

INTERNATIONAL MARKETS:
#8 GOLD's Oversold Bounce Slows

Gold Bullion: GLD fell 0.3% this week, after gaining 1.2% last week. That left it very bearish and ranked 8 globally and less attractive than cash. The index is down 12.7% for the quarter (13 weeks), but up 22.0% for the year (52 weeks). At $377.01, GLD is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative and improving, and its 14-day RSI of 42.9 means GLD is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Gold's oversold bounce slowed this week. The bounce began last week after an unexpectedly weak June jobs report and falling oil prices that reduced the likelihood of a near term Fed rate hike. This week, jobs are old news and oil prices are up. The Fed's rate policy looks steady for now but recent rate hikes in Europe and Japan are making gold's prospects in a rising rate world appear dim. (Rate policy is key and gold has been fading since chances of a Fed rate hike later in 2026 exceeded those of a cut.) 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 Recover As Ceasefire Ends

Commodities A neutral CRB rose 3.6% this week after gaining 1.9% last week. That left commodity prices down 4.0% for the quarter (13 weeks), but up 23.5% for the year (52 weeks). At $27.52, the CRB 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 45.5 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) rose 4.5% this week, following last week's gain of 4.2% and currently neutral. That leaves US oil prices down 12.4% for the quarter (13 weeks), but up 41.3% for the year (52 weeks). At $108.70, USO is below its short-term (50-day) average and above its intermediate-term average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 40.2 means USO is neither overbought nor oversold. A pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Oil rallied past $70 this week, pushing commodities up again after news that Iran attacked tanker traffic in the Strait of Hormuz mid-week ending the ceasefire. The US hit 140 military targets over the weekend and threatened to resume its blockade. Additionally, the recent massive earthquake in Venezuela continues to retard development of oil resources there amid ongoing humanitarian efforts.

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INTERNATIONAL EQUITIES:
#5 EUROPE's Advance Slows

European Large-Cap Stocks: IEV fell 1.1% this week, after gaining 2.6% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 7.7% for the quarter (13 weeks), and up 19.9% for the year (52 weeks). At $72.78, IEV 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 54.0 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.

IEV pushed to a new high to start Q3 but gapped lower this week as the US/Iran ceasefire ended and oil prices pushed past $70 a barrel. Technology has driven the global equity rally this year, and tech isn't a European strength. With oil prices on the rise and rates up Europe is vulnerable regarding an energy-driven stagflation shock should oil inflation persist. At the very least, ts equities may remain lackluster compared to emerging markets. NOTE: A bearish Euro vs. Dollar keeps Europe (IEV +4) just behind Europe's hedged version (HEDJ +4) of equities and the US market (VTI +8). Across the pond, Netherlands (EWN +17), Italy (EWI +14), and Spain (EWP +8) are outperforming the US. Ireland (EIRL +6), Britain (EWU +5), and Switzerland (EWL +4) are doing passably, while France (EWQ -0) Germany (EWG -4), and Denmark (EDEN-4) 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:
#3 JAPAN Maintains Short-term Support

Japanese Stocks: EWJ rose 1.5% this week, after gaining 0.4% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 11.2% for the quarter (13 weeks), and up 43.8% for the year (52 weeks). At $94.55, 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 56.0 means EWJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

EWJ gapped lower on a 25bps BoJ rate hike effective June 16 and still hasn't recovered enough to fill it. Though below its latest high is remains above its rising 50-day trend. Technology has driven the global equity rally this year, and tech feeds on low interest rates. Hence, we saw a world-wide tech sell-off in late June. Taiwanese and South Korean tech and semi-conductors swooned and drove Japanese large caps lower. EWJ remains bullish, nonetheless. With oil prices rising the past two weeks and now above $70, oil importers like Japan are feeling the pressure leaving equities less ebullient going forward. 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 @13). Both are outperforming the US (VTI@+9).

ETF Breakdown: EWJ-- A cap-weighted index fund. **Countries:** Japan (100%) **Top Sectors:** Finance (15%), Consumer durables (14%), Producer manufacturing (14%), Electronic Technology (12%), Health Technology (9%), Process industries (5%), Technology Services (5%), Consumer non-durables (5%), Communications (5%), Distribution services (4%).

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INTERNATIONAL EQUITIES:
#1 ASIA-PACIFIC Holds At 50-day

Asia-Pacific ex-Japan: AAXJ rose 2.0% this week, after losing 2.5% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 19.7% for the quarter (13 weeks), and up 45.2% for the year (52 weeks). At $116.22, AAXJ 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 49.3 means AAXJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

A rebound in semiconductors this week helped Asia Pacific recover a portion of last week's loss. Recent Asian equity weakness has been reinforced by US dollar strength, falling oil prices, recent monetary tightening by Bank of Japan, and China-specific regulatory developments. This week, oil prices rose past $70 leaving AAXJ as the top regional index choice based on six-month performance. (Due to AAXJ volatility, emerging markets (EEM) are the better timing model choice.) Even so, Asian equity markets (AAXJ @19) is still substantially more attractive than US stocks (VTI +8). South Korea (EWY +69) is a standout along with Taiwan (EWT +59). Singapore (EWS +12), and Australia (EWA +7) are doing passably. Hong Kong (EWH -3), India (IMVP -16), and China (FXI -16), lag the US and are struggling due to energy and US tariff issues.

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

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INTERNATIONAL EQUITIES:
#4 LATIN AMERICA Slides With 50-Day

Latin America 40: ILF rose 2.4% this week, after losing 0.4% last week. That left it bearish and ranked 4 globally and more attractive than cash. The index is down 1.9% for the quarter (13 weeks), but up 45.3% for the year (52 weeks). At $34.51, ILF is above 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 56.5 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.

ILF managed to recover its downward sloping 50-day this week, but its decline continues to be reinforced by continued US dollar strength, falling oil prices, and recent monetary tightening by the Banks of Japan and Europe. With oil prices up modestly two weeks in a row oil producers Mexico and Brazil hanging tough. ILF's performance has been very volatile making the more diversified Emerging markets (EEM) a more attractive market timing choice. That is increasingly true with Latin equities (ILF +8) barely outperforming their US cousins (VTI +8) in Price-Performance vs cash. Colombia (COLO +15) is beating the US handily, Brazil (EWZ +8) is comparable, and Mexico (EWW +6), Chile (ECH -3) and Argentina (ARGT -1) are lagging. Canada (EWC +6) which is not in ILF, but a key player in the Americas also continues respond positively despite 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 the 2nd MIXED-Risk week in a row.
US Stocks MIXED, 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
28%	**(AOA) Aggressive Growth**	**10%**	**81%**	**very bullish**	**53.8**	**0.49**	**positive**	deteriorating
12%	(AOM) Moderate Growth & Inc	4%	70%	bullish	48.0	0.17	positive	deteriorating

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
8.9%	**(AOA) Aggressive Growth**	**0.6%**	**0.5%**	**9.9%**	**8.7%**	**11.8%**	**18.9%**	**35.0%**
3.5%	(AOM) Moderate Growth & Inc	0.1%	-0.5%	4.6%	3.8%	5.8%	10.5%	21.5%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
98.9%	**(AOM) Moderate Growth & Inc**	95.11	97.55	98.62	98.68	82.40	96.78	91.16
98.6%	(AOA) Aggressive Growth	48.93	49.41	50.10	50.10	45.31	49.46	47.93

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	23.3%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	8.9%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	3.5%	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**
US Strategy Moose	11.8%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
S&P Benchmark	10.7%	14.5%	24.5%	24.3%	-19.5%					

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

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

INVESTMENT STRATEGIES:
THE US EQUITY STRATEGY TIMING MODEL

USE Strategy: HOLD US Momentum (MTUM) since 5/22/2026.

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

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

The US Equity Strategy (USES) Model ***HOLDS US Momentum (MTUM) since 5/22/2026.***

MTUM leads in CI, ROC, a very bullish TS and in PMO, which is positive but fading. MTUM is no longer overbought.

Volatility Alert: It is likely both SPY and MTUM will fill their latest downside gaps and retest their 50-day before the US/Iran war is put to bed.

Best Alternative: Small caps continue to behave well.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Momentum (MTUM)**	**30%**	96%	very bullish	50	**2.49**	positive	deteriorating
2	72%	US Small-Caps (IWM)	25%	101%	very bullish	54	1.76	positive	deteriorating
3	41%	US High Dividend (SPYD)	13%	100%	very bullish	55	0.68	positive	deteriorating
4	38%	S&P Equal Weight (RSP)	14%	105%	very bullish	60	1.23	positive	improving
5	32%	US Growth (IUSG)	13%	102%	very bullish	57	0.93	positive	improving
6	32%	US Fundamentals (QUAL)	12%	**106%**	**very bullish**	62	1.10	positive	improving
7	29%	US Large-caps (SPY)	12%	103%	very bullish	60	0.85	positive	improving
8	28%	US Value (IUSV)	11%	102%	very bullish	62	0.84	positive	improving
9	13%	US Low Volatility (SPLV)	5%	93%	very bullish	57	1.03	positive	improving
10	8%	Cash (SGOV)	2%	88%	very bullish	100	0.15	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.

Momentum (MTUM) is down the last two weeks, but still leads year-to-date, and over 13, 26 and 39 weeks, and 3 years.

Best Alternatives: Small caps continue to be a solid back-up year-t-date.

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	**29%**	**US Momentum (MTUM)**	1.7%	-2.8%	31.4%	27.6%	26.4%	36.3%	65.4%
2	20%	US Small-Caps (IWM)	-0.5%	-0.8%	18.9%	19.9%	22.3%	33.8%	50.0%
3	13%	US Growth (IUSG)	**2.2%**	1.9%	20.7%	12.2%	14.9%	25.7%	46.9%
4	12%	S&P Equal Weight (RSP)	-0.3%	2.2%	11.3%	11.4%	13.4%	17.5%	34.7%
5	12%	US High Dividend (SPYD)	-0.2%	-0.4%	6.6%	12.2%	12.4%	14.9%	30.5%
6	11%	US Large-caps (SPY)	1.4%	2.2%	15.5%	10.5%	13.7%	22.3%	40.1%
7	11%	US Fundamentals (QUAL)	0.6%	2.2%	14.2%	10.2%	12.7%	19.9%	30.2%
8	9%	US Value (IUSV)	0.1%	1.6%	9.6%	9.0%	13.0%	18.7%	32.4%
9	6%	US Low Volatility (SPLV)	-1.2%	1.3%	3.8%	6.4%	5.9%	6.5%	21.7%
10	0%	Cash (SGOV)	0.1%	-0.2%	1.0%	1.9%	2.9%	3.9%	8.9%

INVESTMENT STRATEGIES:
THE GLOBAL INDEX TIMING MODEL

TOP Index Model Move: HOLD Emerging Markets (EEM)

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

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

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

Best Alternative: Small caps are technically sound (very bullish) with a superior and positive PMO.

Volatility Alert: It is likely EEM will fill its latest downside gaps (57-59) 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	**85%**	**Emerging Markets (EEM)**	79%	bullish	49.5	0.91	positive	deteriorating
2	83%	US Small-caps (IWM)	101%	very bullish	54.1	**1.76**	**positive**	deteriorating
3	43%	Developed Markets (EFA)	91%	very bullish	54.8	0.79	positive	improving
4	33%	US Large-caps (SPY)	**103%**	**very bullish**	59.5	0.86	positive	**improving**
5	9%	Short US Income (SGOV)	88%	very bullish	100.0	0.15	positive	improving
6	-4%	Gold Bullion (GLD)	12%	very bearish	42.9	-2.68	negative	improving
7	-19%	Very Long US Bonds (EDV)	19%	very bearish	40.2	0.08	positive	deteriorating

Performance-wise, EEM regains over year-to-date honors this week. and over 13, 26, 39 and 52 weeks. IWM is second YTD. 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	07/10/26	07/02/30	13wk	26wk	39wk	52wk
1	**22.3%**	**Emerging Markets (EEM)**	**1.8%**	-2.2%	**17.5%**	**17.0%**	**26.3%**	**41.7%**
2	20.2%	US Small-caps (IWM)	-0.5%	-0.8%	17.4%	13.8%	22.2%	35.0%
3	10.7%	US Large-caps (SPY)	1.4%	**2.2%**	14.9%	9.4%	13.8%	22.5%
4	8.6%	Developed Markets (EFA)	0.0%	1.8%	7.9%	6.8%	14.1%	21.7%
5	0.1%	Short US Income (SGOV)	0.1%	-0.2%	0.9%	1.8%	2.8%	3.9%
6	-4.2%	Very Long US Bonds (EDV)	-2.0%	-2.6%	-2.2%	-2.8%	-4.6%	2.1%
7	-4.9%	Gold Bullion (GLD)	-0.3%	1.2%	-12.7%	-10.6%	2.9%	22.0%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**23.3%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	8.9%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	3.5%	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 US Small-caps (Fund S)

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

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

International Equities (Fund I) still leads in overall confidence, due to smoothing differences, but it has been fading since rate hikes in Europe and Japan two weeks ago. As a result, US Small caps lead in rate of change, TS and PMO, which is positive.

Best Timing Alternative: International Equities are still very bullish, with positive though deteriorating Price Momentum (PMO).

Overall, however, aggressive Lifetime Portfolios outperform more moderate B&H portfolios.

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**International Fund (I)**	**20%**	83%	very bullish	51.6	0.81	positive	deteriorating
2	85%	US Small-caps (S)	19%	102%	very bullish	54.0	**1.74**	**positive**	deteriorating
3	71%	Lifetime 2060	16%	99%	very bullish	56.1	0.95	positive	deteriorating
4	58%	Lifetime 2050	13%	99%	very bullish	56.1	0.81	positive	deteriorating
5	51%	Lifetime 2040	11%	99%	very bullish	56.3	0.73	positive	deteriorating
6	48%	US Large-caps (C)	12%	**105%**	**very bullish**	60.4	0.86	**positive**	**improving**
7	40%	Lifetime 2030	9%	97%	very bullish	56.8	0.60	positive	deteriorating
8	21%	Long-term Inc (L)	4%	98%	very bullish	58.6	0.39	positive	deteriorating
9	2%	Short-term Inc (G)	0%	101%	very bullish	100.0	0.18	positive	improving
10	-7%	Fixed Income (F)	-2%	46%	neutral	44.4	0.06	positive	deteriorating

TSP Lifetime & Index Funds: Performance Progression

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

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**US Small-caps (S)**	-0.9%	0.7%	**20.3%**	13.4%	16.4%	24.5%	**16.0%**	47.3%
2	International Fund (I)	0.2%	0.3%	16.3%	**15.8%**	**23.7%**	**29.4%**	15.8%	**48.5%**
3	Lifetime 2060	0.6%	1.1%	18.2%	12.4%	18.2%	25.1%	13.5%	43.6%
4	Lifetime 2050	0.5%	0.9%	15.1%	10.5%	15.4%	21.3%	11.4%	37.3%
5	US Large-caps (C)	**1.3%**	**1.8%**	19.3%	10.0%	15.1%	22.5%	11.4%	39.2%
6	Lifetime 2040	0.4%	0.8%	13.3%	9.5%	13.9%	19.2%	10.2%	33.7%
7	Lifetime 2030	0.3%	0.6%	10.6%	7.8%	11.6%	16.0%	8.4%	28.8%
8	Long-term Inc (L)	0.2%	0.3%	5.8%	5.1%	7.4%	9.9%	5.3%	18.1%
9	Short-term Inc (G)	0.1%	0.1%	1.3%	2.4%	3.4%	4.4%	2.3%	9.0%
10	Fixed Income (F)	-0.4%	-0.5%	0.9%	0.1%	1.4%	4.1%	0.2%	8.7%

****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	**13.5%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	11.4%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	10.2%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	9.5%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	8.4%	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

This Week & Next

US Equity markets were generally positive this week (July 6-10, 2026), while bond markets faced pressure with rising Treasury yields.

Equity Markets
Major U.S. indices posted weekly gains. The **S&P 500** rose around 1-1.8%, the **Nasdaq** gained more (tech-led), and the Dow was mixed or slightly down. The Russell 2000 (small-cap) was down fractionally.

Key influencing factors included:

- **AI momentum and corporate earnings**: Continued strength in tech and AI-related stocks (e.g., Meta surged on AI cost optimism; chip/memory stocks also supported gains). Broader earnings expectations remained robust, with Q2 forecasts for strong double-digit growth. 44% of S&P sectors are rated "buy", a.k.a., more attractive than the benchmark S&P500.
- **Market broadening**: Rotation into small-caps, value stocks, and international/emerging markets helped diversify beyond the "Magnificent Seven." 85% of S&P sectors are rated "buy or hold" a.k.a., more attractive than cash.
- **Resilient U.S. economy**: Strong labor data (e.g., solid job additions, lower unemployment), consumer spending, and positive growth outlook supported risk assets despite some volatility.
- **Geopolitical offset**: Renewed U.S.-Iran tensions and oil price spikes added volatility but had a muted impact on equities compared to earlier in 2026 (markets appeared less sensitive to oil headlines).

Bond Markets
Treasury yields rose (bond prices fell), with the 10-year around 4.5-4.56% and shorter-term yields (e.g., 2-year) also elevated.

Main drivers were:

- **Inflation concerns**: Persistent core inflation (above Fed's 2% target) and risks from higher energy prices. Recent data and forward outlook kept pressure on yields.
- **Geopolitical and oil factors**: Middle East tensions (U.S.-Iran hostilities, potential Strait of Hormuz disruptions) pushed oil higher earlier, raising stagflation fears and supporting higher yields.
- **Fed policy expectations**: Hawkish signals under new Chair Kevin Warsh, resilient growth/labor market data reducing rate-cut bets, and stronger growth/inflation outlooks. Yields expanded across the curve, though longer-end moves were somewhat contained.

Broader Context
Markets entered the week with optimism around AI/earnings but navigated geopolitical risks and upcoming data (e.g., CPI, retail sales, bank earnings). The U.S. economy's resilience contrasted with inflation worries, creating a mixed environment favoring equities over bonds in the short term.

The coming week (July 13-17, 2026) is data-heavy and marks the unofficial start of Q2 earnings season, which could drive volatility in both equity and bond markets.

Key Scheduled Events

- **Inflation data**: June **CPI** (Tuesday) and **PPI** (Wednesday) — critical for rate expectations.
- **Fed Chair Kevin Warsh testimony** to Congress (likely Tuesday/Wednesday) — his comments on policy, inflation, and the economy will be closely watched.
- **Retail sales**, jobless claims, Philly Fed, and other indicators (Thursday).
- **Earnings**: Major banks (JPM, BAC, C, GS, WFC) early week, followed by ASML, JNJ, MS, BLK, TSM, UNH, NFLX, and others.

Factors Likely to Influence Equity Markets
Equities may react to the balance between strong corporate results and macro signals:

- **Earnings momentum**: Banks and tech/semiconductor reports will test AI/capex strength and overall profit growth (expected >20% for S&P 500). Beats could support the rally; misses or weak guidance might weigh on sentiment.
- **Inflation and growth data**: Hotter-than-expected CPI/PPI or strong retail sales could signal persistent inflation and a resilient consumer, supporting cyclical/value stocks but pressuring high-valuations/growth names. Weaker data might ease rate fears and boost equities.
- **Geopolitics and oil**: Ongoing U.S.-Iran tensions and any developments around the Strait of Hormuz could spike oil prices, raising input costs and inflation worries (negative for stocks if sustained). Ceasefire signals or easing supply fears would be positive.

- **Fed tone**: Hawkish Warsh comments (higher-for-longer rates) could pressure rate-sensitive sectors; a balanced or data-dependent stance might reassure investors.

Broader context: Markets have shown resilience but remain sensitive to rotation, summer liquidity, and whether leadership broadens beyond tech.

Factors Likely to Influence Bond Markets
Bonds (especially Treasuries) are highly sensitive to inflation and policy signals:

- **CPI/PPI readings**: Stronger inflation prints would likely push yields higher (prices lower) as they reduce rate-cut odds and reinforce hawkish Fed views. Softer data could support a bond rally.
- **Warsh testimony**: Comments on inflation risks, labor market strength, or potential hikes could move the yield curve. Markets are already pricing in a hawkish lean amid resilient growth.
- **Oil/geopolitical risks**: Elevated energy prices from Middle East tensions would stoke inflation expectations and support higher yields.
- **Retail sales and other data**: Strong consumer spending could reinforce "no rush to cut" narrative, pressuring bonds.

Yields have been elevated recently (10-year around 4.5%+ area); this week's data will help set the near-term direction.

Overall Market Sentiment
A **high-impact week** is coming where inflation data and Fed rhetoric could overshadow earnings initially, with geopolitics as an ongoing wildcard. Positive earnings and contained inflation would favor risk assets; hotter inflation or escalation in the Middle East could lead to caution, higher volatility, and rotation toward defensives or bonds (if yields spike then stabilize).

Markets are forward-looking—watch reactions to Tuesday's CPI most closely. CME futures are 85% sure of a rate hike by December going into the week. Check them at the end of the week to gauge sentiment changes. The higher they go the more caution and volatility we can expect.

(As always, these are potential influences; actual moves depend on how data prints versus expectations. For the latest, follow reliable financial news sources. Prepared by Grok AI and edited.)