MOOSECALLS

Global Financial News & Analysis
OCT10.2025 through 9.2025

EXECUTIVE SUMMARY: OCT10, 2025

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

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

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

Bubbles in the Air

Speculative bubble-talk during the last couple of weeks gained ground this week. Equities and gold pulled back from overbought, eventually taking an attention-getting tumble late in the week. Several assets triggered 20-day stop losses or came close on Friday, leaving the weekend a nailbiter. In the US, small caps (-3.3%) led large caps (-2.4%) lower, but offshore equities fared even worse. Stock markets in Asia-Pacific (-4.4%), Japan (-4.2%), Latin America (-4.1%) and Europe (-2.7%) all took substantial hits. The post-rate-cut rally in US long bonds' (+2.2%) continued. The 10-yr yield fell 7 bps to 4.05%, and the cash yield dipped to 3.85% flattening the yield curve to 20 bps. The Dollar (+1.5) strengthened, as oil (-3.2%) and commodities (-2.2%) weakened. Gold (+3.2%) broke ranks with the losers and added another 3%, despite an "elevator-down" kind of Thursday. No change in the models.

GLOBAL OUTLOOK DETERIORATES TO NEGATIVE (1 of 4). The Baltic Dry Index is higher in the past quarter (13 weeks), but oil and copper prices, and US bond yields are lower, a negative sign for world growth.

INFLATION: Inflation Week came and went with no data thanks to the government shut-down. The upward move in gold this week, however, suggests inflation is alive and well at least in the minds of gold bugs, even if commodity and oil prices do seem to be waning.

US ECONOMIC DATA: Non-existent. Consumer sentiment positive and better than anticipated. The government shut-down delayed all other data. Last Q3 GDP Now (+3.8%) above post-war trend. August recession probability negligible. Next week: Federal data unavailable until government reopens.

FEDERAL RESERVE: Fed Posture this week Dovish. The Fed's balance sheet stands at $6.59 trillion, with the Fed Funds Rate cut to 4.00-4.25%. Quantitative tightening continues. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >50-50) is expected in October (98%).

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

GLOBAL OUTLOOK: NEGATIVE (1 of 4)

Indications Deteriorate to Negative for the Global Economy.

An international shipping measure and proxy for current global trade**, the Baltic Dry Index rose to 1936 this week, and is higher after 13 weeks, a positive**. (After opening 2023 at 1515, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price at 58.90 fell this week, and is lower for the latest quarter, a negative.** (Oil remains below its 2022 peak @$130, but well above its 2020 Covid lows @$10.)

Our proxy for global construction, **copper fell to 4.89 this week, and remains lower this quarter, a negative**.

Domestically, **10Y US bond yields fell to 4.05% this week and are down over the past 13 weeks, a negative** bet on the largest world economy.

IMF World Economic Outlook (APR 2025)—

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

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

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

GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose ETF Rankings through OCT19.2025

This week: Gold (GLD) leads in global momentum. The free Index model HOLDS #1 GLD via buy-stop 8/28/25. *Assets are ranked by CI, the "confidence index". It combines the relative strength (rank), and technical strength (TS). The Trend is based on the TS reading. *Overbought*

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

Global Economy through OCT19.2025

GLOBAL RANKING: TECHNICAL OVERVIEW

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

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

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

#4 JAPAN Gaps 6 Week Low--
Japanese stock prices are very bullish and ranked 4 globally, more attractive than cash. EWJ rose 1.7% this week, following last week's 0.4% loss. That leaves EWJ up 9.6% for the quarter (13 weeks) and up 13.8% for the year (52 weeks).

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

#6 US LARGE-CAPS Test Stop-Loss/ 50-day—
US large-cap stocks are very bullish and ranked 6 globally, more attractive than cash. SPY rose 1.1% this week, following last week's 0.3% loss. That leaves SPY up 7.0% for the quarter (13 weeks) and up 16.8% for the year (52 weeks). GROWTH is the top US equity strategy. This week's US equity sector breadth is positive and less bearish -- Top "Buys" include Bitcoin, Gold Miners, Semiconductors, Technology, Defense, Software and Internet. Top "Avoids": Healthcare and Staples.

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

#8 CASH and 10Y T Yields Diverge— Cash is ranked 8th in the index model. The US Treasury 10-year yield finished the week 7 ticks lower at 4.05% and the 3-month yield was down a tick at 3.85%, leaving the yield curve flatter but positively sloped at 20 basis points.

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

COMMODITIES Drop To 4-Month Low--
Commodities are bullish. The CRB fell 1.9% this week after last week's 2.0% gain. That left commodity prices down 0.2% for the quarter (13 weeks) and up 2.6% for the year (52 weeks). Meanwhile, neutral oil prices (USO) fell 6.9% this week, following last week's 4.8% gain. That leaves US oil prices down 4.6% for the quarter (13 weeks) and down 6.1% for the year (52 weeks).

DOLLAR Advance Fails At 200-day Resistance--
The US dollar is slightly bearish. UUP fell 0.4% this week, following last week's 0.6% gain. That leaves it up 1.9% for the quarter (13 weeks) but down 4.1% for the year (52 weeks).

US ECONOMY: GOV'T DATA

Consumer Sentiment Stays Positive, Oil Prices Retreat

US Economy:
week of
OCT10.2025

THIS WEEK: (GOVT DATA SHUT DOWN)

THE GOOD: U Michigan consumer sentiment (55.0) down a tick but still expansionary and better than expected.

THE BAD: WEEKLY EIA Crude Oil Inventories (+3.72) build expands as oil prices fall.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

AUG PCE INFLATION IN LINE; Q2 GDP 3.8%

US Inflation:
week of
OCT10.2025

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

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

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

US ECONOMY: RECESSION & GDP INDICATORS

NY FED: RECEDING MINIMAL RECESSION THREAT

US recession chances one year out: 27.41% (SEP 2026) per NY Fed. (Recession expected if chance > 30%.) As of May, the Fed model's chance of recession fell below 30%, the threshold signaling a recession one year out. It remains there. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics. The official responsible for providing the erroneous jobs data was fired this month (8/3/25).

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

Atlanta Fed Current GDP Model (10/7/2025): **Q3 Annualized +3.8% (Last week: Q3 Annualized +3.9%)**

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.588T); FFR @ (4.00-4.25%)

Federal Reserve: week of OCT10.2025

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

The Fed plan was to roll 95 billion per month in maturing bonds off its 8.965T balance sheet beginning 6/1/22. It had succeeded in reducing it to 8.34T by mid-March 2023, when the bank crisis required an expansion (back to 8.73T).

The Fed continues quantitative tightening but at a slower rate than in the first half of 2024. **Currently, the Fed's balance sheet is 6.588T, NC (+0.000T) in the latest week (OCT8.25). The Fed Funds Rate was lowered 25 BPS to 4.00-4.25% at the SEP17 FOMC meeting. The next meeting is OCT29.**

The Fed Check at 102% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.53%, however, is 59 bps BELOW the Fed overnight rate (4.12%), implying US domestic conditions merit at least two more Fed rate cuts. CME Fed futures are 100% sure there will be no Fed rate hikes this year.

As such, the next Fed rate cut per CME futures is expected in October (98%). The benchmark jobs revision (9/9) lowered the number of jobs created between 3/24 and 3/25 by 911K, cementing the notion of three 25 bps rate cuts (of which one already has been made) by year-end.

The 3m-10y yield curve flattened this week, going from a positive slope of 26 bps to one of 20bps, as the 10-year US Treasury yield fell 7 bps to 4.05%, and the 3-month cash yield dropped a tick to 3.85%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. **The median yield is falling, leaving our interest rate signal for stocks neutral.**

The 3-month SOFR yield @4.13% is down this week, while the 3-month T-bill @3.85% is also down. That puts the SOFR/T-Bill (SOF-T) spread at 28 basis points, above its 200-day (16 bps). **A rising SOFR spread signals a riskier, less confident financial system.**

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

Latest FOMC Assessment (2025.9.17) Recent indicators suggest that growth of economic activity moderated in the first half of the year. Job gains have slowed, and the unemployment rate has edged up but remains low. Inflation has moved up and remains somewhat elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate and judges that downside risks to employment have risen. In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point to 4 to 4-1/4 percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will consider a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. **(Next FOMC meeting: 2025.10.29)**

US Currency Market:
UUP Advance Fails at 200-day Resistance

US Dollar: UUP rose 1.5% this week, following last week's 0.4% loss. It is currently neutral—up 2.5% for the quarter (13 weeks), **but** down 3.3% in the last year (52 weeks). At 28, UUP is above its short-term (50-day) average at 27, and below its intermediate-term (200-day) average at 28. Momentum in the greenback is positive and improving, but RSI14 @49 is neither overbought nor oversold. A Dollar strengthened this week, enhancing US assets over foreign assets, commodities, and gold. Longer term, the bearish Dollar dampens US investments, enhances foreign assets and commodities, and improves US trade competitiveness.

The Dollar (UUP) ran into overhead resistance at the 200-day this week and stalled out. The Federal government shut-down continues to complicate things by leaving the markets (and the Fed) in the dark regarding recent economic conditions, but the greenback is clearly the better for it. Dollar price momentum has turned positive and is improving since the government ran out of "other people's money". (In fairness, the potential stimulus from a couple of promised future rate cuts could have something to do with it as well.) Optimism aside, Europe and Japan still have significantly easier monetary policies, and US tariffs are dampening our economic performance contributing to the overhead resistance we saw this week. As for other major currencies vs. the Dollar, The Australian $ is very bullish, but down 1.8%. The Euro is bullish, but down 1.0% this week. The Pound is slightly bullish, but down 1.0%. The Canadian $ is neutral, and down 0.3%, and the Yen is bearish, and down 2.8%.

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Carry-trade This Week

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

	TS	Trend	Non-Dollar investors in $ Moose	US $ investors in Foreign Assets
Euro	60%	bullish	Euro investors underperform	US$ investors (IEV>HEDJ)
Yen	-62%	bearish	Yen investors outperform	US$ investors (DXJ>EWJ)
Australian $	81%	very bullish	Aussie $ investors underperform	US$ Investors outperform in A$
British Pound	27%	slightly bullish	Sterling investors underperform	US$ investors outperform in Pound
Canadian $	-8%	neutral	Canadian $ match	US$ investors match in C$

US Bond Market:
#9 BONDS Gap Higher To Close Week

US Long Treasury Bonds: EDV rose 2.2% this week, following last week's 1.2% gain, leaving it ranked #9 globally and still less attractive than cash. Long bonds are up 8.4% for the quarter (13 weeks) **but** down 6.5% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield finished the week 7 ticks lower at 4.05% and the 3-month yield was lower at 3.85%, leaving the yield curve positively sloped 20 basis points. That reduces the odds of a recession in late 2025. Technically, US long bonds are very bearish and at 69, EDV is above its short-term (50-day) average at 67, and above its intermediate-term (200-day) average at 67. Momentum (PMO) is positive and neutral, and its 14-day RSI of 66 means EDV is neither overbought nor oversold. As for currency effects, the Dollar strengthened this week, enhancing return for dollar investors in US bonds. Longer term, the bearish Dollar inhibits investment in US assets but improves US trade competitiveness.

A weaker stock market pushed investors into bonds this week. The Federal government shut-down continues to complicate things by leaving the markets (and the Fed) in the dark regarding recent economic conditions, but bond prices seem to be doing better with the government no longer dropping other people's money out of helicopters. EDV does remain above both its 50 and 200-day moving averages for the first time since before the tariff announcements in April and is no longer overbought. (Last Import/Export price data from before the shutdown show no year-on-year import price inflation (0.0%) from tariffs.) Momentum in EDV is positive, suggesting some economic weakness is expected, but with EDV only 14% above its May bottom, it is still a bit early to bet on recession. The newly lowered overnight Fed Funds rate (4.12%) still greater than the 10-year Treasury yield (4.05%), suggesting Fed money is still too expensive. Chairman Powell is expected to provide at least another 25 bps Fed rate cut (98%) at the next Fed meeting (10/29).

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#6 US LARGE-CAPS Test Stop-Loss/ 50-day

US Large-Cap Stocks: SPY fell 2.4% this week, following last week's 1.1% gain, leaving it ranked #7 globally and more attractive than cash. The index is up 4.7% for the quarter (13 weeks) **and** up 12.7% for the year (52 weeks). Technically, US large caps are very bullish and at 653, SPY is below its short-term (50-day) average at 654, and above its intermediate-term (200-day) average at 603. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 42 means SPY is neither overbought nor oversold. As for currency effects, the Dollar strengthened this week, enhancing return for dollar investors in US stocks. Longer term, the bearish Dollar dampens investment in US assets but improves US trade competitiveness.

The S&P's 2.4% loss this week came all at once on Friday. The sudden collapse stopped just short of 50-day support, and a few cents short of triggering a 20-day stop-loss. Monday we'll know whether this will be perceived as a buying opportunity or the beginning of an "elevator down" episode. SPY is still up 36% since April and large cap momentum remains positive and improving ahead of two more rate cuts. Uncertainties regarding taxation, fiscal spending, and the debt ceiling have been legislated away. The Federal deficit remains bullishly large, although tariffs are reducing it slightly. The government shutdown was well received by equity investors initially, but the idea that government, after years of stimulating US equities with 2 trillion in annual deficits, may be out of money didn't sit well this week. Fortunately, another Fed rate cut (10/29) or two looks likely (98%) and should keep large cap stocks on an upward path. It remains to be seen, however, if US equities, while saddled with the world's highest interest rates and new self-inflicted taxes on imports can overtake their foreign competition.

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

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US Equity Market:
#7 US SMALL-CAPS Test Stop-Loss

US Small-Cap Stocks: IWM fell 3.3% this week, following last week's 1.9% gain, leaving it ranked #6 globally and more attractive than cash. The index is up 7.3% for the quarter (13 weeks) **and** up 7.5% for the year (52 weeks). Technically, US small caps are very bullish and at 238, IWM is above its short-term (50-day) average at 236, and above its intermediate-term (200-day) average at 217. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 45 means IWM is neither overbought nor oversold. As for currency effects, the Dollar strengthened this week, enhancing return for dollar investors in US assets. Longer term, the bearish Dollar inhibits investment in US assets but improves US trade competitiveness.

Most of IWM 3.3% loss this week came all at once on Friday. The sudden collapse stopped just short of 50-day support, and a few cents short of triggering a 20-day stop-loss. Monday we'll know whether this will be perceived as a buying opportunity or the beginning of an "elevator down" episode. IWM is still up 43% since April and small cap momentum remains positive ahead of two more rate cuts. The uncertainties regarding taxation, fiscal spending, and the debt ceiling are legislated away, and the Federal deficit remains bullishly large, although tariffs are reducing it slightly The government shutdown was well received by equity investors initially, but the idea that government, after years of stimulating US equities with 2 trillion in annual deficits, may be out of money didn't sit well this week. Fortunately, another Fed rate cut (10/29) or two looks likely (98%) and should keep small cap stocks on an upward path. It remains to be seen, however, if US equities, while saddled with the world's highest interest rates and new self-inflicted taxes on imports can overtake their foreign competition.

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

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US Equity Market Top 5 Sectors:
Bitcoin, Semiconductors, Gold Miners, Technology, Defense

The table below ranks our 25 primary US sector ETFs in order of relative strength at the close of the latest week. Momentum investors may consider those ranked higher than cash bullish (**buy** or **hold**), and those ranked below cash bearish (**sell or avoid**). Value investors may feel the opposite.

This week's US equity sector breadth is positive and less bearish -- 92% of our sectors are buy or hold (L89%) with BUYS now 44% (L41%) and HOLDS now 48% (L48%). AVOIDS are currently 8% (L11%). Top "Buys" include Bitcoin, Semiconductors, Gold Miners, Technology, Defense, Software and Internet. Top "Avoids": Healthcare Providers and Staples.

TICKER	CI	NAME	SECTOR	TS	Manual Sort
BLOK	100%	Bitcoin (BLOK)	Tech	95%	very bullish
SMH	76%	Semiconductors (SMH)	Tech	33%	slightly bullish
GDX	69%	Gold Miners (GDX)	Materials	95%	very bullish
IYW	50%	US Technology (IYW)	Tech	96%	very bullish
PPA	39%	US Aerospace & Defense (PPA)	Industrial-Tech	96%	very bullish
XSW	32%	Software (XSW)	Tech	76%	very bullish
FDN	32%	DJ Internet Index (FDN)	Tech	81%	very bullish
IBB	31%	Biotechnology (IBB)	Health-Tech	88%	very bullish
FCOM	31%	Telecommunications (FCOM)	Telecom	75%	very bullish
KCE	31%	Capital Markets (KCE)	Financial	53%	bullish
XLC	27%	Media Portfolio (XLC)	Consumer	77%	very bullish
XRT	27%	Retail (XRT)	Consumer	69%	bullish
SPY	**27%**	**S&P 500**	**BENCHMARK**	**95%**	**very bullish**
XLI	25%	Industrials (XLI)	Industrial	86%	very bullish
KBE	24%	KB Banks (KBE)	Financial	28%	slightly bullish
XOP	22%	Oil & Gas Exploration & Production (XOP)	Energy	51%	bullish
IYT	22%	Transports (IYT)	Transportation	71%	bullish
IHE	21%	US Pharmaceuticals (IHE)	Health	83%	very bullish
IEZ	21%	US Oil Equipment & Services (IEZ)	Energy	36%	slightly bullish
XLU	20%	Utilities (XLU)	Utilities	89%	very bullish
XHB	17%	Home Construction (XHB)	Home Builders	25%	slightly bullish
XLB	13%	Select Materials (XLB)	Materials	8%	neutral
VNQ	8%	REITs (VNQ)	Real Estate	-24%	neutral
IHI	7%	US Medical Devices (IHI)	Health-Tech	-76%	very bearish
IAK	3%	KBW Insurance (IAK)	Financial	32%	slightly bullish
PBJ	2%	Food & Beverage (PBJ)	Consumer	-79%	very bearish
SHY	**0%**	**CASH**	**BASELINE**	**50%**	**bullish**
XLP	-1%	Consumer Staples (XLP)	Consumer	-93%	very bearish
IHF	-6%	US Health Care Providers (IHF)	Health	36%	slightly bullish

INTERNATIONAL MARKETS:
#1 GOLD Drops, Remains Overbought

Gold Bullion: GLD's price rose 3.2% this week, following last week's 3.1% gain, leaving it ranked #1 globally and more attractive than cash. Most recently GLD is up 19.4% for the quarter (13 weeks), **and** up 50.4% for the year (52 weeks). Technically, Gold bullion (GLD) is currently very bullish and at 369 above its short-term (50-day) average at 333, and above its intermediate-term (200-day) average at 300. Its momentum (PMO) is positive and improving, and its 14-day RSI of 75 means GLD is neither overbought nor oversold. As for currency effects, the US Dollar strengthened this week, dampening return for dollar investors in gold bullion. Longer term, a bearish Dollar enhances return to Dollar investors in gold.

Overbought Gold continued higher this week despite a one-day 2% drop on Thursday. RSI overbought for 6 weeks remains so. Momentum remains positive and improving with Fed chair Powell expected to provide two more 25 bps Fed rate cuts before yearend, Odds are (98%) the first cut will come at the next Fed meeting (10/29). More generally, gold continues to enjoy a US Dollar near a 45-month low, ongoing central bank purchases, Chinese consumer buying, latent inflation fears, a sense of major disruption in the way the US government is doing things, a large persistent US deficit, and geopolitical tension. Traditional threats to bullion are not in evidence -- global recession (as evidenced by a very bullish bond market and falling yields) is not in evidence. A severe equity market panic (evidenced by margin calls that require investors to sell their best performers to cover) is unlikely as well, although we did see some sudden equity strife this week.

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INTERNATIONAL MARKETS:
COMMODITIES Drop To 4-Month Low

Commodities: A slightly bearish CRB fell 2.2% this week after last week's 1.9% loss. That left commodity prices down 3.5% for the quarter (13 weeks), **and** up 0.6% for the year (52 weeks). At 293, the CRB is below its short-term (50-day) average at 299, and below its intermediate-term (200-day) average at 301. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 36 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, oil prices (USO) fell 3.2% this week, following last week's 6.9% loss, and are currently neutral. That leaves US oil prices down 10.2% for the quarter (13 weeks), **and** down 10.5% for the year (52 weeks). At neutral, USO is below its short-term (50-day) average at 69, and below its intermediate-term (200-day) average at 73. The Dollar strengthened this week, dampening return for investors in hard assets. Longer term, the bearish Dollar is enhancing return for investors in commodities and oil.

Commodities backed off some more this week, following a 3% drop in oil. WTI crude oil finally made it into the fifties this week, after being stuck in the mid-to-low 60's for a couple of months. OPEC+ began increasing production by about 137,000 barrels per day in October easing the upward pressure on oil prices this week. Rumors of peace between Israel and Hamas also helped quiet the oil market. A slowing economy has replaced inflation as the Fed's primary concern as evidenced by promises of two more rate cuts before year-end. The government shut-down and slower spending should add to that if it persists. Meanwhile, commodities and bonds are back in global balance, with the Fed Check suggesting a neutral rate stance by the Fed. A rate cut in such conditions should generate price pressure in commodities.

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INTERNATIONAL EQUITIES:
#5 EUROPE Falls Back Into Line

European Large-Cap Stocks: IEV fell 2.7% this week, following last week's 3.2% gain, leaving them ranked #5 globally and more attractive than cash. Most recently, Europe is up 2.4% for the quarter (13 weeks) **and** up 13.9% for the year (52 weeks). Technically, IEV is very bullish at 65—above its short-term (50-day) average at 65, and above its intermediate-term (200-day) average at 61. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 48 means IEV is neither overbought nor oversold. As for currency effects, the Euro weakened this week, dampening returns. Longer term, a bullish Euro enhances return to Dollar investors, but limits Europe's trade competitiveness.

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

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

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INTERNATIONAL EQUITIES:
#4 JAPAN Gaps 6 Week Low

Japanese Stocks: EWJ fell 4.2% this week, following last week's 1.7% gain, leaving it ranked #4 globally and more attractive than cash. Most recently, Japan is up 8.3% for the quarter (13 weeks) **and** up 10.3% for the year (52 weeks). Technically, EWJ is very bullish at 78, below its short-term (50-day) average at 80, but above its intermediate-term (200-day) average at 73. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 39 means EWJ is neither overbought nor oversold. As for currency effects, the Yen weakened this week, dampening return for dollar investors in Japanese stocks. Longer term, a bearish Yen dampens return to Dollar investors but improves Japan's trade competitiveness.

Japanese equities gapped higher last week when the LDP put Sanae Takaichi in line to be PM. The wheels proceeded to come off this week when she criticized the trade and investment deal Japan made with the US. Positive earnings from Japan's tech heavy-weights, and the expectation of two more Fed rate cuts have been bullish for Japanese stocks. Bank of Japan held its interest rate at 0.5% this week, as Japanese headline inflation has improved but is still above the Bank of Japan's 2% target for a third straight year. Bond yields are rising and a BoJ rate hike in October is on the table. Meanwhile, the low Bank rate gives Japan and EWJ a significant advantage over the US, which has a 4.125% Fed rate through October. A previously bullish Yen is fading to neutral vs. the Dollar these days, and the hedged version (DXJ) of Japanese equities is marginally outperforming EWJ as momentum is turning back toward a traditional weak yen policy.

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

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INTERNATIONAL EQUITIES:
#2 ASIA-PACIFIC Tests Support

Asia-Pacific ex-Japan: AAXJ fell 4.4% this week, following last week's 3.4% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 7.6% for the quarter (13 weeks) **and** up 11.9% for the year (52 weeks). Technically, AAXJ is very bullish and at 89, above its short-term (50-day) average at 88, and above its intermediate-term (200-day) average at 80. Its momentum (PMO) is positive and neutral, and its 14-day RSI of 42 means AAXJ is neither overbought nor oversold. As for currency effects, the US Dollar strengthened this week, dampening return for dollar investors in Asian stocks. Longer term, a bearish Dollar enhances return to Dollar investors in Asian stocks but reduces the region's trade competitiveness.

Asia-Pacific stocks dropped precipitously on Friday, triggering a stop-loss but holding its 50-day. Whether Monday will be a buying opportunity or the first step in an elevator down is still an open question. The prospect of two more Fed rate cuts, and a weak Dollar are a positive for Asian stocks, but the tariff situation is mixed. The tariff reduction outlook for the BRICS is bleak at the moment. China's temporary 30% tariff deal was extended for 90 days on 8/12, and India is facing 50% tariffs on two-thirds of its exports to the US for buying Russian oil. Taiwan is facing 20% but is in bilateral talks with the US. Equities in all three have been picking up on the Fed dovishness as the bullish region presses for new highs. Most Asian equity markets are still better than cash. South Korea (EWY +52), Taiwan (EWT +39), Hong Kong (EWH +31), Singapore (EWS +31), China (FXI +21), and Australia (EWA +18) have the highest relative strength. India (PIN +2) is lagging.

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

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INTERNATIONAL EQUITIES:
#3 LATIN AMERICA Retreats to Support

Latin America 40: ILF fell 4.1% this week, following last week's 0.9% loss, leaving it ranked #3 globally and more attractive than cash. The index is up 6.9% for the quarter (13 weeks) **and** up 6.5% for the year (52 weeks). Technically, ILF is very bullish and at 27, ILF is below its short-term (50-day) average at 27, and above its intermediate-term (200-day) average at 25. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 39 means ILF is neither overbought nor oversold. As for currency effects, the Dollar strengthened this week, dampening return for dollar investors in Latin stocks. Longer term, a bearish Dollar enhances return to Dollar investors in Latin stocks but reduces the region's trade competitiveness. It also makes repaying dollar-denominated debt tougher.

ILF continued to pull back from its recent overbought condition, triggering a stop-loss and testing its 50-day. The prospect of two more Fed rate cuts this year, along with a weak Dollar are good for Latin stocks, and the tariff situation is less of problem than for US consumers and business. As a result, Latin stocks have outperformed their US cousins for nine months and continue to do so. Mexico (EWW +27), Colombia (COLO +31), Brazil (EWZ +19) and Chile (ECH +14) are relatively strongest. Only Argentina (ARGT -6) is bearish. Even Canada (EWC +27) which is not in ILF, but a key player on the continent outperforms the US total stock market (VTI +24), despite facing 35% tariffs on the 60% of its exports not covered by USMCA.

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

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Private Sector Strategies—ETFs
Market Timing v. Diversified Buy & Hold: Performance

Strategy	25 YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016
Index Moose	**80.8%**	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%	-6.0%
Aggressive G&I (AOA)	12.9%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%	3.5%
S&P Benchmark	11.4%	24.5%	24.3%	-19.5%						
Moderate G&I (AOM)	8.2%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%	5.3%
US Strategy Moose	7.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%	-5.6%

The Index Model is outperforming all competitors in early 2025 after lagging buy-and-hold in 2024.
US Strategy Model outperformed all competitors in 2024 but is slightly behind the S&P in 2025.
For buy and hold investors: Aggressive (AOA) is outperforming more moderate (AOM) diversifications.

The table above is short, but it illustrates several points: (1) Success of any strategy can be highly variable year-to-year. (2) Just because it worked last year doesn't mean it will next year. (3) Buy-and-hold is preferable in a bull market with few lasting or deep corrections amid trendless volatility. (4) When stocks are trending strong, aggressive buy-and-hold is best, but when stocks go bearish it can be a huge loser. (5) To avoid substantial losses, buy-and-hold investors should have a separate exit plan, whereas such plans are implicit in index targeting (a loss-minimization strategy). (6) Market timing is most profitable when there is one predominant asset choice, or in extended bear market scenarios.

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

In this section: 7 alternative US equity strategies (as represented by the most popular smart-beta ETFs based on volume and capitalization) and 2 global asset allocation strategies are monitored and ranked using our momentum methodology. The 7 US equity strategies include US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight. The 2 global asset allocation strategies are moderate (40% equities / 60% income) and aggressive (80% equities / 20% income). The table below compares the relative strength of each of the 9 strategies to a SPY benchmark and a SHY cash baseline.

THIS YEAR: US Stocks struggled in January, backed off in March, plummeted to a V-bottom in April and rebounded by May. They are bullish but have lagged offshore equities and gold throughout, due to a weaker Dollar caused by US tariffs. Now, with the first rate cut in the books, more rate cuts to come, US tariffs, and trillions in US federal deficit spending continuing through December (absent recissions), equities and hard assets appear to have solid future prospects.

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

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

RANK	CI	Fund	TS	Trend	stop-loss	price	buy-stop
1	**100%**	**US Growth (IUSG)**	**59%**	**bullish**	**161.14**	**161.21**	**167.15**
2	91%	US Momentum (MTUM)	53%	bullish	249.94	249.97	258.00
3	67%	US Benchmark (SPY)	61%	bullish	652.84	653.02	673.95
4	64%	Diversified: Aggressive (AOA)	60%	bullish	86.51	86.51	88.93
5	41%	US Fundamentals (QUAL)	61%	bullish	190.07	191.01	197.50
6	37%	Diversified: Moderate (AOM)	54%	bullish	47.00	47.00	47.76
7	29%	US Equal Weight (RSP)	54%	bullish	185.09	185.12	192.30
8	28%	US Value (IUSV)	57%	bullish	97.95	98.00	101.23
9	2%	US Short Term T-Bill (SHY)	18%	neutral	82.77	82.93	83.09
10	-8%	US Low Volatility (SPLV)	-19%	neutral	71.83	72.43	73.55
11	-17%	US High Dividend (SPYD)	-3%	neutral	42.58	42.60	44.89

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

Best S&P Strategies
MTUM top performer over 1&3 years, #1 IUSG leads over 1&5

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

	Fund	1Y	3Y	5Y
1	**US Momentum (MTUM)**	**22%**	**81%**	67%
2	**US Growth (IUSG)**	**22%**	70%	**99%**
3	US Benchmark (SPY)	14%	54%	92%
4	US Fundamentals (QUAL)	6%	45%	81%
5	Diversified: Aggressive (AOA)	11%	38%	47%
6	US Value (IUSV)	4%	34%	76%
7	US Equal Weight (RSP)	4%	33%	66%
8	US High Dividend (SPYD)	-5%	25%	48%
9	US Low Volatility (SPLV)	2%	25%	33%
10	Diversified: Moderate (AOM)	6%	23%	14%
11	US Short Term T-Bill (SHY)	1%	3%	-4%

The Global Index Model
TOP Index Model Move HOLD GLD

THIS YEAR: Strong gold and weak US stocks put the Index model into gold from January through April helping us to avoid the March-April V-bottom in equities caused by the tariff announcement. Exiting gold, which had flattened by mid-May, for International stocks set up a period of vacillation between gold and international stocks that ended with a switch back to gold in late August, ahead of the first Fed rate cut on 9/18. With rate cuts, trillions in US federal deficit spending, and US tariffs weakening the Dollar through December, foreign equities and hard assets still have excellent future prospects.

THIS WEEK: The Global Index Model continues to outperform the S&P, all Buy-and-Hold allocations, and the USES and TSP models in a major way. Index Moose HOLDS #1 Gold (GLD) via buy-stop after selling #2 EFA 8/28/25. GLD however is severely overbought and has been for weeks. If you own GLD, hold. If you do not own it, wait for a dip to buy in. A 9-10% correction (@319) would fill an unfilled gap from 9/2/25 in GLD and correspond to the price level at which the overbought condition first appeared.

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

RANK	CI	Description	TS	Trend	stop-loss	price	buy-stop
1	**100%**	**Gold (GLD)**	**115%**	**very bullish**	**333.81**	**369.12**	**373.57**
2	59%	Emerging Markets (EEM)	103%	very bullish	51.82	51.94	54.69
3	40%	Europe-Australia-Far East (EFA)	101%	very bullish	91.53	92.24	95.525
4	36%	US small-cap stocks (IWM)	101%	very bullish	236.76	237.79	248.48
5	34%	US large-cap stocks (SPY)	101%	very bullish	652.84	653.02	673.95
6	1%	Cash (SHY)	72%	--	82.77	82.93	83.09
7	-27%	US Long Treasuries (EDV)	-77%	very bearish	61.56	69.46	66.29

Public Sector Strategies-- Thrift Savings Plan

The Thrift Savings Plan, or TSP, is the government's 401K-style retirement plan. Millions of federal employees are invested in it, including several life-long friends here in the capital region. Beginning 12/21/2018, the revised TSP model began incorporating actual fund data and monitoring ten TSP funds instead of five index fund proxies alone.

While having ten asset choices offers myriad possibilities, our primary concern involves the overall strategic decision: Should TSP investors use index targeting (market timing) to manage their portfolio or rely on a diversified buy-and-hold approach. Answer: it depends on the investor and on what's working. **In 2025, the TSP** Timing Model is competitive with moderate Buy-and-Hold Lifetime Funds in 2025 but lags the most aggressive. For buy and hold investors: Aggressive allocations are out-performing conservative portfolios.

The TSP Model: HOLD International Equities (Fund I)

TSP THIS WEEK: was the 1st Risk-OFF week after 1 Risk-ON: US Stocks DOWN Foreign Stocks DOWN, Bonds UP, and Gold UP. TSP Moose HOLDS International equities (Fund I) via CI since 4/29/25 (@45.54). **Fund I has the highest confidence index, rate of change and technical strength of the funds in the model.**

	Fund	Description	Strategy	CI%	ROC	TS+	READ
1	**I Fund**	**International stocks**	**Offshore Growth**	**100%**	**16%**	**106%**	**very bullish**
2	L2060	Lifetime 2060	Very Aggressive Growth	75%	15%	104%	very bullish
3	C Fund	US Large-cap stocks	G & I Equities	64%	14%	104%	very bullish
4	L2050	Lifetime 2050	Aggressive Growth	63%	13%	103%	very bullish
5	S Fund	US Small-cap stocks	Growth Equities	58%	16%	104%	very bullish
6	L2040	Lifetime 2040	Aggressive G&I	56%	11%	104%	very bullish
7	L2030	Lifetime 2030	Moderate G&I	47%	9%	103%	very bullish
8	L Income	Long-term Income	Maximum Income	21%	4%	101%	very bullish
9	F Fund	Fixed Income	U at the moment. S Bonds	10%	1%	102%	very bullish
10	G Fund	Short-term Income	Cash equivalent	0%	0%	88%	very bullish

TSP RECENT PRICE ACTION: Although I Fund leads in intermediate term momentum, C Fund (US Large-caps) has the highest Price Momentum Oscillator at the moment, signaling the most near-term momentum. No funds in the model are overbought or oversold, but C Fund has triggered a 20-day stop-loss along with all the equity funds in the TSP model except Fund I, the lone equity fund to avoid a stop-loss this week. Should Fund I trigger a viable stop-loss, Fund G would be the TSP Model's next switch candidate. With its PMO still positive, and its RSI approaching 30, however, a Fund I stop-loss could be a false signal and an opportunity to buy on the dip.

	Fund	SL	PRICE	BS	RSI	OB/OS	PMO	+/-	condition
1	C Fund*	104.56	104.56	107.75	40	-	**1.00**	positive	deteriorating
2	L 2060*	20.37	20.37	20.99	40	-	0.96	positive	deteriorating
3	I Fund	51.84	51.87	53.50	43	-	0.94	positive	deteriorating
4	S Fund*	98.11	98.11	101.88	39	-	0.89	positive	deteriorating
5	L 2050*	39.79	39.79	40.77	41	-	0.83	positive	deteriorating
6	L 2040*	65.18	65.18	66.58	41	-	0.74	positive	deteriorating
7	L 2030*	56.17	56.17	57.15	42	-	0.64	positive	deteriorating
8	L Income	28.63	28.64	28.87	45	-	0.37	positive	deteriorating
9	F Fund	20.63	20.79	20.79	65	-	0.33	positive	deteriorating
10	G Fund	19.36	19.40	19.40	-	-	0.14	positive	deteriorating

***Stop-loss hit,** no buy-stop since—default to highest ranked alternative. (Published stop-loss price is as of previous Friday close. It may change daily and as such, is published as an initial reference only.) **overbought*

TSP Lifetime & Index Funds: Performance Progression

	Fund	this wk	last wk	13wk	26wk	39wk	52wk	YTD	3Y
1	I Fund	**-2.2%**	**-0.6%**	5.2%	22.3%	**24.8%**	**17.0%**	**23.8%**	41.5%
2	L 2060	-2.5%	-0.4%	**5.3%**	**23.3%**	16.4%	14.9%	15.9%	**48.4%**
3	L 2050	-2.1%	-0.4%	4.7%	19.6%	14.6%	13.2%	14.0%	41.6%
4	L 2040	-1.8%	-0.3%	4.3%	17.4%	13.2%	12.2%	12.8%	37.5%
5	C Fund	-2.7%	-0.3%	**5.3%**	**22.9%**	13.2%	14.1%	12.5%	53.8%
6	L 2030	-1.5%	-0.2%	3.8%	14.8%	11.7%	11.0%	11.3%	32.7%
7	S Fund	-3.1%	-0.6%	**5.6%**	**28.2%**	7.9%	11.7%	8.8%	45.9%
8	L Income	-0.7%	-0.1%	2.3%	7.8%	7.2%	7.4%	7.1%	19.2%
9	F Fund	**+0.4%**	-0.1%	3.8%	5.6%	7.9%	4.7%	6.7%	15.2%
10	G Fund	0.0%	**0.0%**	1.0%	2.2%	3.3%	4.4%	3.5%	9.2%

The I Fund is the top performing asset we track in the TSP portfolio year-to-date, over 52-weeks and over 39-weeks. More recently, however, it is starting to be pushed by the S Fund, C Fund and Lifetime 2060, which have outperformed it over the last 26 weeks and 13 weeks. In the last two weeks however, I Fund is down somewhat less than S Fund, C Fund, and L2060.

TSP Moose v. TSP Lifetime Funds: Yearly Performance

Strategy	2025 YTD	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**15.9%**	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	14.0%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	12.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	12.6%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	11.3%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%

Moospeak

GLOBAL BUBBLE

Back in the day, this site had a section on international equities, specifically national stock market ETFs. My university training was in international economic theory, and I worked for the IMF and the World Bank before my MBA, so I had a natural affinity for all things international. My early attempts to develop a momentum model along the lines of the those which had provided me success in the past, however, failed. While the initial returns were promising, longer term performance eventually proved disappointing, and I ended the experiment.

I later discovered that the problems inherent in my international equities model were actually generic to the model-building process… just more so. There were too many highly correlated choices, and they were too volatile to identify a lasting favorite based on an intermediate term trend. Fact is, the US stock market dwarfs foreign equity markets in terms of capitalization, number of companies represented, and the value of those companies. So the behavior I was used to seeing in the US market didn't necessarily translate to a set of foreign markets.

Sources differ, but US equities ($43T) currently represent about 41% of total global capitalization ($105T). The 5,700+ stocks on US exchanges, however, are only about 11% of all globally listed companies (54,000). As a result, the average value of a US listed company (about $7.5B) is more than triple the global average (about $2B).

On an individual country basis, the world's second largest equity market is China. The Shanghai ($6.0T) and Shenzhen ($3.6T) exchanges combined bring mainland China's equity capitalization to about $10T. Add in Hong Kong (5.0T) which is also nominally under the control of the CCP and Red China's market cap is about $15T. That is 14% of global equities and roughly a third of the US market. After that, Japan ($5.6T), India ($3.3T), and Canada ($3.0T) round out the top five in terms of capitalization. After China (14%) and Japan (5%), no individual international equity market amounts to more than 3% of global stocks or 8% of US capitalization. In fact, of the 25 largest international equity markets, more than half have less than a trillion in market cap, each comprising less than 1% of all global equities.

Point is, thin markets with inexpensive stocks are far less predictable and tougher to model than broad markets with pricier stocks. The odds of success improve, however, when the general asset class— in this case, international stocks (EFA)— is strong, as it has been since April. Stocks within the asset class are highly correlated, so if the class is very bullish and near the top of the index rankings, the components comprising the class should reflect its bullish trend as well.

The TSP and Index models tell us that offshore stocks (Fund I, EFA and EEM) have been outperforming US stocks at least since US tariffs were announced, So a couple of weeks ago, purely out of curiosity, I plugged 28 country files into a model framework. I wanted to know which countries' stock prices were benefitting most from US tariff policy and by how much. What I found surprised me (to varying degrees), but maybe it shouldn't have.

M**omentum-wise** I knew that offshore stocks were outperforming but was unprepared to find that US large-cap (SPY) equities, which I know to be technically very bullish with a strong rate of change were ranked 15th in a set of 28 equity ETFs (47th percentile). I was also surprised that South Korea led all countries in terms of price momentum, followed by South Africa (not so surprising due to its gold mines), and then Spain, Mexico, and Brazil. (The last two have taken tariffs on the chin so to speak but their stocks have jumped back up just fine it seems. On that subject, Canadian momentum is better than in the US as well.)

Technically, I was very surprised to find that 27 of 28 international equity funds in the study were rated "very bullish". That amounts to a global bull rally of epic proportions. Only Saudi Arabia (KSA) came in with a bearish chart due mostly to the falling price of oil amid a global retreat from Green New Deal policies and their push for $100 oil.

As for **performance**, I wasn't all that surprised that Chinese equities (+55%) have had the best 52-weeks of any nation up to this point. Their 4th Plenum convenes in a couple of weeks (October 20) and they are expected to make the "nation's 2026-30 economic road map" the "key focus" of their agenda. An ebullient stock market is always a good back-drop for politicians meeting to discuss future economic policies, and the Chinese stock market has been known to be quite accommodating in that regard. The other top performers this year are Israel (51%), Spain (44%), South Africa (38%), Italy (37%), Singapore (35%), Hong Kong (34%), and UAE (31%).

In all, 14 countries out-shone the US where 52-week performance was "only" 18%-- or close to double the long-run average for US equities in a year. At the other end of the spectrum, Indonesia (-21%) had the toughest year followed by India (-7%) and Saudi Arabia (-7%).

The aforementioned widespread (and occasionally astounding) success around the world is one reason there was increasing talk of a global asset bubble this week and last. Not just in equities, but in precious metals as well. The increasing percentage of assets hitting overbought levels last week was another sign something had to give and it did this Friday.