

MOOSECALLS

Global Financial News & Analysis
JAN.16.2026 through JAN.25.2026

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EXECUTIVE SUMMARY: JAN.16.2026

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

GLOBAL MARKETS: WEEK'S ACTION—Risk-ON (2)

THIS WEEK was the second Risk-ON week in a row. Foreign Stocks UP, US Stocks MIXED, US Bonds FLAT, Gold UP.

MORE BUYING INTO 2026

With current Q4 US GDP estimates at 5.3%, investors swarmed into equities for a third straight week in 2026. (See Moospeak.) In the second full week of trading, US small caps (+2.1%) once again led everything higher while large caps (-0.3%) and very long US Treasury bonds (0.0%) rested. Shorter term both the 10-year T-yield (4.23%) and the 3-month cash yield (3.56%) rose. Offshore, equities in Latin America (+2.0%), Asia-Pacific (+1.2%), Japan (+1.0%) and Europe (+0.5%) all advanced. Commodities (+1.1%) rallied on strength in oil (+1.2%) and gold (+1.6%) despite a stronger US Dollar (+0.4%). No model changes.

GLOBAL OUTLOOK REMAINS POSITIVE 3 of 4). The Baltic Dry Index is lower in the past quarter (13 weeks). Copper and oil prices, along with bond yields are all higher, positives for the global economy.

INFLATION: DEC Consumer Prices In Line With Targets; NOV Producer Prices Heat Up with Commodity and oil prices up for a third week due to concern over political developments in Venezuela and Iran. Ex-Im Prices heat up as tariff regimen gains traction.

US ECONOMIC DATA: Very good weekly report. Small Business Optimism, Industrial Production, Retail Sales and Existing Home Sales Up; Jobless Claims down. Treasury Deficit Continues to Shrink

FEDERAL RESERVE: The Fed's balance sheet stands at \$6.58 trillion, with the Fed Funds Rate cut to 3.50-3.75%. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >60-40) is expected June 17 (62%).

INVESTMENT STRATEGIES: The Index Model is outperforming all competitors in 2026. It remains in gold (GLD) after switching from EFA via buy-stop on August 28. It endured a 10% correction to end 2025 but never triggered a stop-loss and has since moved on to new highs in 2026. US stocks did push the US Equity Strategy (USES) Model into US Growth in December. All Thrift Savings Plan (TSP) assets with an equity component have triggered a similar stop, putting that model in large-cap stocks (Fund C) as well.

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications turn positive for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index fell to 1567 this week, and is lower after 13 weeks, a negative signal.** (After opening 2025 at 1072, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price at 59.44 rose this week, up slightly for the latest quarter, a positive signal.** (Oil remains below its 2022 peak @\$130, but well above its 2020 Covid lows @\$10.)

Our proxy for global construction, **copper (\$5.83) fell this week, but remains higher this quarter, a positive signal.**

Domestically, **10Y US bond yields rose 6 ticks to 4.23% this week and are up over the past 13 weeks, a positive bet on the largest world economy.**

IMF World Economic Outlook (OCT 2025) —

The global economy is adjusting to a landscape reshaped by new policy measures. Some extremes of higher tariffs were tempered, thanks to subsequent deals and resets. But the overall environment remains volatile, and temporary factors that supported activity in the first half of 2025—such as front-loading—are fading.

As a result, global growth projections in the latest World Economic Outlook (WEO) are revised upward relative to the April 2025 WEO but continue to mark a downward revision relative to the pre-policy-shift forecasts. Global growth is projected to slow from 3.3 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026, with advanced economies growing around 1.5 percent and emerging market and developing economies just above 4 percent. Inflation is projected to continue to decline globally, though with variation across countries: above target in the United States—with risks tilted to the upside—and subdued elsewhere.

Risks are tilted to the downside. Prolonged uncertainty, more protectionism, and labor supply shocks could reduce growth. Fiscal vulnerabilities, potential financial market corrections, and erosion of institutions could threaten stability. Policymakers are urged to restore confidence through credible, transparent, and sustainable policies. Trade diplomacy should be paired with macroeconomic adjustment. Fiscal buffers should be rebuilt. Central bank independence should be preserved. Efforts on structural reforms should be redoubled. Past actions to improve policy frameworks have served countries well and industrial policy may have a role, but full consideration should be given to opportunity costs and trade-offs involved in its use.

GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose
ETF Rankings
through
JAN.16.2026

This week: Gold leads in regional global momentum since 11/27/2025. (The Global 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

	CI%	FUND	TS+	READ	RSI	PMO	+/-
1	100%	Gold Bullion (GLD)	117%	very bullish	64.8	2.76	improving
2	87%	Latin America (ILF)	117%	very bullish	73.8	2.91	improving
3	75%	Asia Pacific ex-Japan (AAXJ)	113%	very bullish	70.8	2.37	improving
4	68%	Japan (EWJ)	114%	very bullish	75.1	2.68	improving
5	68%	US Small-caps (IWM)	113%	very bullish	72.1	1.93	improving
6	52%	US Large-caps (SPY)	106%	very bullish	57.8	0.83	improving
7	44%	Europe (IEV)	109%	very bullish	70.1	2.04	improving
8	9%	Very Long US Bonds (EDV)	41%	neutral	49.7	-0.44	improving
9	0%	Short US Income (SGOV)	100%	very bullish	85.9	0.08	improving
		Ryan/CRB Indicator	0.96	no change			
		Volatility Index	16%	very bullish	47	neg	-deteriorating
		US Dollar (UUP)	27%	bearish	41	neg	-deteriorating
		Commodities (DBC)	100%	very bullish	56	neg	-deteriorating
		US Oil (USO)	50%	neutral	54	neg	improving

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 GOLD Pushes Higher--

GLD **rose 1.6%** this week, following last week's **4.1% gain**, leaving it ranked **#1 globally and more attractive than cash**. Most recently, GLD is **up 10.6% for the quarter (13 weeks)** and **up 69.0% for the year (52 weeks)** and very bullish.

#2 LATIN AMERICA Marches Higher--

ILF **rose 2.0%** this week, following last week's **3.3% gain**, leaving it ranked **#2 globally and more attractive than cash**. The index is **up 23.3% for the quarter (13 weeks)** and **up 63.7% for the year (52 weeks)** and very bullish.

#3 Overbought ASIA-PACIFIC Maintains Gap--

AAXJ **rose 1.2%** this week, following last week's **1.6% gain**, leaving it ranked **#3 globally and more attractive than cash**. The index is **up 11.5% for the quarter (13 weeks)** and **up 42.7% for the year (52 weeks)** and very bullish.

#4 JAPAN Gaps to Overbought--

EWJ **rose 1.0%** this week, following last week's **4.0% gain**, leaving it ranked **#4 globally and more attractive than cash**. Most recently, Japan is **up 15.6% for the quarter (13 weeks)** and **up 43.6% for the year (52 weeks)** and very bullish.

#5 US SMALL-CAPS Overbuy January--

IWM **rose 2.1%** this week, following last week's **4.6% gain**, leaving it ranked **#5 globally and more attractive than cash**. The index is **up 7.6% for the quarter (13 weeks)** and **up 18.9% for the year (52 weeks)** and very bullish.

#6 US LARGE-CAPS Dip Off New High--

SPY **fell 0.3%** this week, following last week's **1.6% gain**, leaving it ranked **#6 globally and more attractive than cash**. The index is **up 5.1% for the quarter (13 weeks)** and **up 17.5% for the year (52 weeks)** and very bullish. US equity sector momentum is positive, and breath stays broad and steady-- 89% of our sectors are buy or hold (L89%). **"Buys"** include Gold Miners, Semiconductors, Biotech, Bitcoin, and Technology. **"Avoids"** include REITs, Healthcare Providers, Consumer Staples, Food & Beverage.

#7 EUROPE: Break Out Slows--

IEV **rose 0.5%** this week, following last week's **1.2% gain**, leaving it ranked **#7 globally and more attractive than cash**. Most recently, Europe is **up 9.9% for the quarter (13 weeks)** and **up 38.3% for the year (52 weeks)** and very bullish,

#8 Falling BONDS Test Support--

EDV is **flat** this week, following last week's **1.6% gain**, leaving it ranked **#8 globally, neutral and more attractive than cash**. Long bonds are **down -4.4% for the quarter (13 weeks)** and **down -0.5% for the year (52 weeks)** as yields have risen.

#9 Cash & Income Yields UP--

The US Treasury 10-year yield finished the week up 6 ticks at 4.23%, and the 3-month yield was up 5 at 3.56%, leaving the yield curve slightly steeper but still positively sloped at 67 basis points

COMMODITY Prices Peak and Pull Back--

A very bullish CRB **rose 1.1%** this week after last week's **2.3% gain**. That left commodity prices **up 2.7% for the quarter (13 weeks)** and **up 2.2% for the year (52 weeks)**. Meanwhile, Oil prices (USO) **rose 1.2%** this week, following last week's **2.6% gain** and are currently **bearish**. That leaves US oil prices **down -1.2% for the quarter (13 weeks)** and **up 15.0% for the year (52 weeks)**.

DOLLAR Rally Persists--

UUP **rose 0.4%** this week, following last week's **0.8% gain**. It is currently **bearish—down 0.3% for the quarter (13 weeks)**, but **up 7.4% in the last year (52 weeks)**.

US ECONOMY: GOV'T DATA

Optimism, Production, Retail & Existing Home Sales Up; Jobless Claims, Treasury Deficit Down

US Economy:
week of
JAN.16.2026

THIS WEEK: BROADLY GOOD

THE GOOD: WEEKLY **Initial Claims** (198K) down from previous and consensus. WEEKLY **Continuing Claims** (1884K) down from prior. WEEKLY **EIA Crude Oil Inventories** (+3.39M) build replaces (-3.83M) draw as oil prices rise. JAN **Philadelphia Fed Index** (12.6) unexpectedly positive, better than prior and expectations. JAN **Empire State Manufacturing** (7.7) beat consensus and prior. DEC **Existing Home Sales** (4.35M) above consensus and prior. DEC **Industrial Production** (+0.4%) beat consensus and prior. DEC **Capacity Utilization** (76.3%) beat consensus and prior. DEC **NFIB Small Business Optimism** (99.5) up from previous. DEC **Treasury Budget deficit falling** (-\$144.7B) below consensus (-\$223B) and prior (-\$153B). NOV **Retail Sales** (+0.6%) stronger than forecasts and prior.

THE BAD: JAN **NAHB Housing Market Index** (37) below consensus and prior. OCT **New Home Sales** (737K) in line with prior, weaker than summer.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

CPI In Line With Target; PPI Ex-Im Prices Heat Up

US Inflation:
week of
JAN.16.2026

DEC **CPI** (+0.3%) in line m-t-m. (1-yr = 2.7%)
DEC **Core CPI** (+0.2%) in line m-t-m. (1-yr = 2.6%)
NOV **PPI** (+0.2%) up m-t-m. (1-yr = 3.0%)
NOV **Core PPI** (0.0%) flat m-t-m. (1-yr = 3.0%)
NOV **Import Prices** (+0.4%) hotter than prior m-t-m. (1-yr = 0.1% cool)
NOV **Export Prices** (+0.5%) hotter than prior m-t-m. (1-yr = 2.6% in-line)

SEP **PCE Prices** (0.3%) in line. (1yr 2.7%)
SEP **Core PCE Prices** (0.2%) cooler. 1yr 2.8%)

Q3 **GDP-Adv** (+4.3%) up from Q2 (+3.8%).
Q3 **GDP Deflator-Adv.** (+3.8%) hotter than Q2 (+2.1)
Q3 **Employment Cost Index** (+0.8%) up in line with expectations.
Q3 **Productivity-Prel** (+4.9%) improved from previous more than expected.
Q3 **Unit Labor Costs-Prel** (-1.9%) unexpectedly declined.
Q3 **Current Account Balance** (-\$226.4B) deficit below previous and expectations.

US ECONOMY: RECESSION & GDP INDICATORS

NY FED: RECEDING MINIMAL RECESSION THREAT

US recession chances one year out: 25.05% (NOV 2026) per NY Fed. (Recession expected if chance > 30%.) As of May 2025, the Fed model's chance of recession fell below 30%, the threshold signaling a recession one year out. It remains there. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics.

ATLANTA FED: US Q4 GDP NOW Soars to 5.3% Atlanta Fed Current GDP Model (1/9/2026): **Q4 Annualized +5.3%** (Last week: **Q4 Annualized +5.1%**)

US ECONOMY: FEDERAL RESERVE FED BALANCE SHEET (\$6.58T); FFR @ (3.50-3.75%)

Federal Reserve:
week of
JAN.16.2026

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

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

Currently, the Fed's balance sheet is 6.58T, (UP .01) in the latest week (1/14/2025). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. The next FOMC meeting is January 28.

The Fed Check at 96% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.60%, however, is 2 bps LOWER than the Fed overnight rate (3.625%), implying US domestic conditions should merit at least one more Fed rate cut.

CME Fed futures remain sure that there will be no Fed rate hikes in the near future. Meanwhile, futures make a 2026 rate cut unlikely until Powell is gone. Odds don't exceed 50% until June's 63% CME read.

The 3m-10y yield curve flattened this week, going from a positive slope of 67 bps to one of 66 bps, as the 10-year US Treasury yield rose 6 bps to 4.23%, and the 3-month cash yield rose 5 ticks to 3.56%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The median yield is still falling, leaving our interest rate signal for stocks bearish.

3-month SOFR yield at 3.66% is down this week, while the 3-month T-bill at 3.56% is up. That puts the SOFR/T-Bill (SOF-T) spread at 10 basis points, below its 200-day average of 20 bps. A falling SOF-T spread signals a safer, more confident financial system.

FED OVERALL THIS WEEK: FELL INTO NEUTRAL (0) LW: DOVISH (+1)

**Rate Posture: (Cutting) DOVISH (+1),
Balance Sheet (Steady) NEUTRAL, (0),
Fed Speak HAWKISH (-1),
Fed Check NEUTRAL (0)**

Latest FOMC Assessment (2025.12.10) Available indicators suggest that economic activity has been expanding at a moderate pace. Job gains have slowed this year, and the unemployment rate has edged up through September. More recent indicators are consistent with these developments. Inflation has moved up since earlier in the year 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 rose in recent months. 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 3-1/2 to 3-3/4 percent. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will consider a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. The Committee judges that reserve balances have declined to ample levels and will initiate purchases of shorter-term Treasury securities as needed to maintain an ample supply of reserves on an ongoing basis. **(Next FOMC meeting: 2026.1.28)**

US Currency Market: DOLLAR Rally Persists



US Dollar: UUP rose 0.4% this week, following last week's 0.8% gain. It is currently bearish—down 0.3% for the quarter (13 weeks), but up 7.4% in the last year (52 weeks). At 27, UUP is below its short-term (50-day) average at 28, and below its intermediate-term (200-day) average at 28. Momentum in the greenback is negative but improving. RSI14 at 49.3 is neither overbought nor oversold. A more expensive Dollar this week dampened returns on foreign assets, commodities, and gold.

The US tariffs announcement in early April led to a three-month 7% drop in the Dollar by July. As the tariff plan rolled out, a six-month 5% rally in the buck has followed. Basically, the Dollar is now worth about what it was at the tariff announcement, but 9% weaker than its value when Trump took office. A weaker Dollar often coincides with easier US financial conditions, improving global liquidity and stronger commodity and emerging market trade balances

and US tariffs— all of which we have seen of late. It primarily benefits emerging markets, commodity exporters, and value/cyclical foreign markets. No surprise that gold and emerging markets have been excelling. Most major currencies are bullish or neutral versus the Dollar, only the Yen is bearish. Europe and Japan are major trading partners, and they still have easier monetary policies than the US, but that is changing. US tariffs on the other hand dampen US economic performance and weaken the Dollar. As for other major currencies vs. the Dollar, the Euro is neutral and down 0.3% this week. The Yen is very bearish and down 0.1%. The Pound is neutral and down 0.2%. The Canadian dollar is neutral and flat 0.0%. The Australian dollar is very bullish and down 0.1%, and the Swiss Franc is neutral and down 0.2%.

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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.

	This week	TS	READ	US \$ investors in Foreign Assets
Australian \$ (FXA)	-0.1%	92%	very bullish	US\$ Investors outperform hedged
British Pound (FXB)	-0.2%	59%	neutral	US\$ investors match hedged
Canadian Dollar (FXC)	0.0%	52%	neutral	US\$ investors match hedged
Euro Dollar (FXE)	-0.3%	52%	neutral	US\$ investors match hedged (IEV=HEDJ)
Swiss Franc (FXF)	-0.2%	47%	neutral	US\$ investors match hedged
Japanese Yen (FXY)	-0.1%	0%	very bearish	US\$ investors underperform hedged (EWJ<DXJ)
US Dollar (UUP)	0.4%	32%	bearish	

US Bond Market: #8 Falling BONDS Test Support



US Long Treasury Bonds: EDV is flat (0.0%) this week, following last week's 1.6% gain, leaving it ranked #8 globally and more attractive than cash. Long bonds are down -4.4% for the quarter (13 weeks) and down -0.5% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield finished the week up 6 ticks at 4.23%, and the 3-month yield was up 5 at 3.56%, leaving the yield curve slightly steeper but still positively sloped at 67 basis points. Technically, US long bonds are neutral, and at 66, EDV is above its short-term (50-day) average at 66, and above its intermediate-term (200-day) average at 66. Momentum (PMO) is negative and improving, and its 14-day RSI of 49 means EDV is neither overbought nor oversold. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Bond prices, after a long ride up have corrected about 10% since the October Fed meeting. Long bond prices are back where they were when Trump took office, currently with a flat intermediate trend and a declining short (50-day) trend. Lower bond prices usually reflect an improving economy. Truncated government data certainly hasn't provided much definitive clarity to the economic situation, but that may be the case. December payrolls (50K) were anemic, but no longer negative, and the unemployment rate fell. Moreover, Q4 "GDP Now" estimates spiked to 5.5% this week. Q4 productivity soared, sending unit labor costs lower. Tariffs cut the October monthly trade deficit (-\$29B) to half that of the month before (-\$59B). Absent another government shutdown, there are signs we could be off to the races in 2026.

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 Dip Off New High



US Large-Cap Stocks: SPY fell 0.3% this week, following last week's 1.6% gain, leaving it ranked #6 globally and more attractive than cash. The index is up 5.1% for the quarter (13 weeks) and up 17.5% for the year (52 weeks). Technically, US large caps are very bullish, and at 691.66, SPY is above its short-term (50-day) average at 678.64, and above its intermediate-term (200-day) average at 625.42. Momentum (PMO) is positive and improving, and its 14-day RSI of 58 means SPY is neither overbought nor oversold. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

SPY notched a new record high to open the second full week of trading in 2026. SPY rose about 17% in 2025, a healthy return, but one that paled in comparison

to gold (up 65%) and foreign equities (up 30% to 35%). Meanwhile, 2026 is the same, with gold, small caps and foreign equities outperforming SPY early on. Uncertainties regarding the Federal shutdown, taxation, fiscal spending, and the debt ceiling are behind us, and the new tax regime will be kicking in. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish. On the bearish side, self-inflicted taxes on imports have kept US stocks from going through the roof, helping emerging markets, at least pending the Supreme Court ruling on tariffs.

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: #3 US SMALL-CAPS Overbought January



US Small-Cap Stocks: IWM rose 2.1% this week, following last week's 4.6% gain, leaving it ranked #5 globally and more attractive than cash. The index is up 7.6% for the quarter (13 weeks) and up 18.9% for the year (52 weeks). Technically, US small caps are very bullish, and at 266, IWM is above its short-term (50-day) average at 248, and above its intermediate-term (200-day) average at 226. Momentum (PMO) is positive and improving, and its 14-day RSI of 72 means IWM is overbought. As for currency, a more expensive Dollar this week dampened returns for Dollar investors in US assets. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

January is considered the season for small caps, especially if interest rates are expected to fall. This January is no exception as small caps are among the strongest assets we track halfway through January.

Uncertainties regarding a Federal shutdown, taxation, fiscal spending, and the debt ceiling are behind us, and the new tax regime will be kicking in. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish. On the bearish side, self-inflicted taxes on imports have kept US stocks from going through the roof, helping emerging markets, at least pending the Supreme Court ruling on tariffs.

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: Gold Miners, Semiconductors, Biotech, Pharma, Oil Equip & Serv

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 momentum is positive, breath is broad and unchanged-- 81% of our sectors are buy or hold (L81%) with **BUYS** now 33% (L33%) and **HOLDS** now 48% (L48%). **AVOIDS** are currently 19% (L19%). Potential "Buys" include Gold Miners, Semiconductors, Biotech, Pharma, Oil Equipment & Services. "Avoids" include Food & Beverage, Consumer Staples, Healthcare Providers, REITs, and Insurance.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Gold Miners (GDX)	85%	135%	very bullish	72.8	5.75	positive	improving
64%	Semiconductors (SMH)	59%	122%	very bullish	69.9	3.42	positive	improving
47%	Biotechnology (IBB)	38%	107%	very bullish	49.5	1.29	positive	deteriorating
41%	US Pharmaceuticals (IHE)	33%	109%	very bullish	55.2	1.88	positive	deteriorating
40%	US Oil Equip & Serv (IEZ)	44%	124%	very bullish	70.8	3.86	positive	improving
31%	US Technology (IYW)	24%	78%	bullish	48.2	0.29	positive	deteriorating
30%	US Aerospace & Def (PPA)	32%	121%	very bullish	80.6	3.94	positive	improving
27%	Bitcoin (BLOK)	27%	65%	bullish	66.0	0.80	positive	improving
27%	Telecom (FCOM)	21%	100%	very bullish	48.4	0.94	positive	deteriorating
21%	S&P 500 (SPY)	18%	106%	very bullish	57.8	0.83	positive	improving
21%	Retail (XRT)	18%	98%	very bullish	63.9	1.97	positive	improving
21%	KB Banks (KBE)	20%	107%	very bullish	59.8	1.83	positive	deteriorating
20%	Media Portfolio (XLC)	15%	72%	very bullish	40.0	0.51	positive	deteriorating
18%	Transports (IYT)	19%	110%	very bullish	61.7	1.81	positive	improving
17%	Capital Markets (KCE)	19%	102%	very bullish	69.5	2.13	positive	improving
15%	Industrials (XLI)	16%	110%	very bullish	73.0	1.94	positive	improving
13%	Home Construction (XHB)	21%	96%	very bullish	66.5	1.81	positive	improving
11%	Select Materials (XLB)	13%	112%	very bullish	71.4	2.74	positive	improving
8%	Utilities (XLU)	7%	49%	neutral	55.5	-0.34	negative	improving
8%	DJ Internet Index (FDN)	4%	23%	bearish	34.4	-0.59	negative	deteriorating
7%	Oil/Gas Expl & Prod (XOP)	9%	82%	very bullish	54.3	0.06	positive	improving
5%	Software (XSW)	2%	28%	bearish	35.1	-0.55	negative	deteriorating
4%	US Health Providers (IHF)	4%	83%	very bullish	50.7	0.62	positive	improving
3%	CASH	2%	76%	bullish	45.4	0.02	positive	deteriorating
2%	REITs (VNQ)	3%	77%	bullish	72.3	0.30	positive	improving
2%	US Medical Devices (IHI)	1%	86%	very bullish	41.7	0.35	positive	deteriorating
1%	KBW Insurance (IAK)	-3%	57%	neutral	35.4	0.03	positive	deteriorating
-2%	Consumer Staples (XLP)	1%	88%	very bullish	71.7	1.15	positive	improving
-6%	Food & Beverage (PBJ)	-3%	60%	neutral	65.2	0.60	positive	improving

US Sector Top Performers: YTD (1/16/26)

YTD	Description	THIS wk	LAST wk	13wk	26wk	Read	RSI	PMO	condition
16%	Bitcoin (BLOK)	7%	4%	-11%	13%	bullish	66.0	80%	improving
15%	US Aerospace & Def (PPA)	5%	7%	15%	27%	very bullish	80.6	394%	improving
14%	US Oil Equip & Serv (IEZ)	3%	7%	27%	31%	very bullish	70.8	386%	improving
13%	Gold Miners (GDX)	5%	8%	30%	88%	very bullish	72.8	575%	improving
11%	Home Construction (XHB)	1%	8%	9%	10%	very bullish	66.5	181%	improving
11%	Semiconductors (SMH)	3%	4%	16%	40%	very bullish	69.9	342%	improving
8%	Capital Markets (KCE)	3%	3%	8%	8%	very bullish	69.5	213%	improving
8%	Industrials (XLI)	3%	3%	9%	12%	very bullish	73.0	194%	improving
7%	Select Materials (XLB)	1%	5%	10%	7%	very bullish	71.4	274%	improving
6%	Retail (XRT)	2%	-1%	8%	13%	very bullish	63.9	197%	improving

INTERNATIONAL MARKETS: #1 GOLD Pushes Higher



Gold Bullion: GLD rose 1.6% this week, following last week's 4.1% gain, leaving it ranked #1 globally and more attractive than cash. Most recently, GLD is up 10.6% for the quarter (13 weeks) and up 69.0% for the year (52 weeks). Technically, gold bullion is very bullish, and at 421, GLD is above its short-term (50-day) average at 394, and above its intermediate-term (200-day) average at 337. Momentum (PMO) is positive and improving, and its 14-day RSI of 65 means GLD is neither overbought nor oversold. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Gold's overbought rally soared to new records three weeks ago, gave it all back a week later, and broke out to new highs this week. It holds #1 just below all time highs. Cheaper US money

is potentially inflationary and good for gold, and the Fed is still in easing mode with another rate cut expected in April. after Powell is out. Additional bullish indications for gold include 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 in Iran, Venezuela, and the Black Sea. Traditional threats to bullion are not in evidence. Neither global recession (as evidenced by a very bullish bond market and falling yields) nor a severe equity market panic (evidenced by margin calls that require investors to sell their best performers to cover) appears likely.

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INTERNATIONAL MARKETS: COMMODITY Prices Peak and Pull Back



Commodities: At 23, the CRB is above its short-term (50-day) average at 23, and above its intermediate-term (200-day) average at 22. Momentum (PMO) is positive and improving, and its 14-day RSI of 56 means the CRB is neither overbought nor oversold.

Crude Oil: Oil prices (USO) rose 1.2% this week, following last week's 2.6% gain, and are currently bearish. That leaves US oil prices down -1.2% for the quarter (13 weeks) and up 15.0% for the year (52 weeks). At 72, USO is above its short-term (50-day) average at 70, but below its intermediate-term (200-day) average at 72. Momentum (PMO) is positive and improving, and its 14-day RSI of 55 means oil is neither overbought nor oversold. A more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Global security concerns devolving from unrest in Iran and the Black Sea is impacting oil prices. While the US takeover of Venezuela's oil resources will likely increase oil supply and lower prices later in 2026, as "drill, baby, drill" does the same in the US, current street violence in Iran could mean prices go higher near term. The end of the summer driving season helped drop West Texas Intermediate crude prices into the mid-fifties in October. Unfortunately, sporadic geopolitical uncertainty in the Middle East and in Ukraine continues to interrupt that progress. Meanwhile, commodities and bonds are still in global balance, with the Fed Check suggesting a neutral rate stance by the Fed.

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INTERNATIONAL EQUITIES: #7 EUROPE: Break Out Slows



INTERNATIONAL EQUITIES: #4 JAPAN Gaps to Overbought



Japanese Stocks: EWJ rose 1.0% this week, following last week's 4.0% gain, leaving it ranked #4 globally and more attractive than cash. Most recently, Japan is up 15.6% for the quarter (13 weeks) and up 43.6% for the year (52 weeks). Technically, EWJ is very bullish, and at 85, it is above its short-term (50-day) average at 79, and above its intermediate-term (200-day) average at 71. Momentum (PMO) is positive and improving, and its 14-day RSI of 75 means EWJ is overbought. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Japanese equity strength is due to Yen weakness boosting exporters and raising the yen value of overseas earnings for Japan's large export-heavy companies. (This tends to drive

overnight futures buying and produce gaps at the open.) In addition, Bank of Japan remains accommodative even as global inflation pressures ease. The perception that real rates remain negative, and policy normalization will be gradual supports equities over the yen, reinforcing foreign inflows into Japanese stocks. Strong corporate actions including buybacks along with earnings momentum also contribute. Finally, with global recession odds easing and long yields stabilizing, investors are rotating into cyclical markets, and US tariffs tend to mitigate in favor of foreign equities. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ) of Japanese equities preferable to the dollar version we track (EWJ). Also, expect recent upside gaps to be filled.

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

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INTERNATIONAL EQUITIES:

#3 Overbought ASIA-PACIFIC Maintains Gap



Asia-Pacific ex-Japan: AAXJ rose 1.2% this week, following last week's 1.6% gain, leaving it ranked #3 globally and more attractive than cash. The index is up 11.5% for the quarter (13 weeks) and up 42.7% for the year (52 weeks). Technically, AAXJ is very bullish, and at 99, it is below its short-term (50-day) average at 92, and below its intermediate-term (200-day) average at 83. Momentum (PMO) is positive and improving, and its 14-day RSI of 71 means AAXJ is overbought. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness.

Cheaper US money is good for US export demand everywhere. It puts Asian equities in the number 3 slot in the regional index model and better than cash. It lags #1 Gold but only

fractionally. US tariffs are the reason foreign stocks have been outperforming US equities, and the tariff situation is more of a problem for Asian exporters (particularly China and India) than it is for other regions. Nevertheless, Asian equity markets (AAXJ +16) remain comparably attractive to US stocks (VTI +10). South Korea (EWY +54) is a standout. Hong Kong (EWH +13) and Taiwan (EWT +14) are doing well. Singapore (EWS +5) and China (FXI +4) lag the US. Australia (EWA 2) and India (PIN 0) are struggling due to 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: #2 LATIN AMERICA Marches Higher



Latin America 40: ILF rose 2.0% this week, following last week's 3.3% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 23.3% for the quarter (13 weeks) and up 63.7% for the year (52 weeks). Technically, ILF is very bullish, and at 33, it is above its short-term (50-day) average at 30, and above its intermediate-term (200-day) average at 26. Momentum (PMO) is positive and improving, and its 14-day RSI of 74 means ILF is overbought. As for currency effects, a more expensive Dollar this week dampened returns on foreign assets, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces regional trade competitiveness. It also makes repaying dollar-denominated debt tougher.

The December Fed rate cut has been well received abroad. Cheaper US money is good for US export demand everywhere.

It briefly propelled Latin equities into the number 1 slot in the regional index model in December, and it remains in #2 this week. US tariffs are the reason foreign stocks are outperforming US equities, and the tariff situation is less of a problem for Latin exporters than it is for other regions. Cheaper US money is good for Latin stocks, and US consumers and business. Latin stocks (ILF +28) have outperformed their US cousins (VTI +10) since the tariff announcement 4/25. Chile (ECH +46), Colombia (COLO +42), Brazil (EWZ +23), and Mexico (EWW +24) are strongest, while Argentina (ARGT +3) continues to dig itself out of its most recent leftist hole. Canada (EWC +17) which is not in ILF, but a key player in the Americas continues to beat most players in the hemisphere 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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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)

Among Buy & Hold strategies, Aggressive growth is currently the more profitable choice over the past 52, 39, 26, and 13 weeks—not to mention the last three years. It has a slightly higher PMO than moderate B&H but not by much. Technical readings are comparable with the prices of both currently above their respective 50-day and 200-day averages.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
73%	(AOA) Aggressive Growth	13%	106%	very bullish	66.3	0.99	positive	improving
49%	(AOM) Moderate Growth & Inc	9%	104%	very bullish	63.6	0.73	positive	improving

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
2.2%	(AOA) Aggressive Growth	0.1%	0.9%	4.5%	11.7%	27.3%	21.7%	40.0%
1.2%	(AOM) Moderate Growth & Inc	0.1%	0.4%	3.5%	8.6%	17.5%	15.4%	25.6%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.7%	(AOA) Aggressive Growth	89.36	91.53	91.85	91.85	68.45	89.13	83.11
99.5%	(AOM) Moderate Growth & Inc	47.67	48.28	48.50	48.50	41.20	47.41	45.13

Market Timing v. Diversified Buy & Hold: Performance

Strategy	YTD26	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	6.3%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	2.2%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
US Strategy Moose	1.2%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
Moderate G&I (AOM)	0.8%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
S&P Benchmark	-1.0%	14.5%	24.5%	24.3%	-19.5%					

The Index Model crushed all competitors in 2025. 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 timing 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.

The table above covers the last decade and illustrates several points: (1) Success of any one 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.

INVESTMENT STRATEGIES: THE US EQUITY STRATEGY TIMING MODEL

USE Strategy: HOLD US Growth

The USES Model is an equity only construct for determining the optimum equity strategy for the US large cap stock portion of one's portfolio. It monitors and ranks 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 include US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight.

THIS YEAR: (Q1) US Stocks are bullish entering 2026, but US large caps, especially in the Mag 7 growth category are hung-over from year-end valuation constraints. Small caps and International shares are showing early strength against SPY. They are all bullish but lagging gold, due to a weaker Dollar from US tariffs. Fed rate cut optimism in 2026 seems unlikely before June.

THIS WEEK was the second Risk-ON week in a row. Foreign Stocks UP, US Stocks MIXED, US Bonds FLAT, Gold UP. Currently, most USES ETFs are working off buy-stops, including SPY. The model returned to US Growth (IUSG) 12/5/25 @169.25. Among US stock strategies, US Growth still leads in confidence index and ROC, but window dressing to end 2025 demonstrates renewed interest in value and high dividend which lead technical strength and short-term price momentum (PMO). High dividend, however, is overbought.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	(IUSG) US Growth	19%	103%	very bullish	57.0	0.66	positive	improving
2	85%	(SPY) US Large-caps	17%	106%	very bullish	62.9	0.82	positive	improving
3	66%	(IUSV) US Value	14%	107%	very bullish	67.1	1.12	positive	improving
4	65%	(QUAL) US Fundamentals	14%	106%	very bullish	67.4	1.05	positive	improving
5	55%	(MTUM) US Momentum	11%	92%	very bullish	58.1	0.83	positive	improving
6	50%	(RSP) S&P Equal Weight	11%	101%	very bullish	61.4	1.07	positive	improving
7	43%	(SPYD) US High Dividend	12%	107%	very bullish	71.1	2.30	positive	improving
8	12%	(SGOV) Cash	2%	85%	bullish	65.0	0.07	positive	deteriorating
9	-1%	(SHY) Short Income	0%	64%	neutral	48.1	0.00	negative	improving
10	-17%	(SPLV) US Low Volatility	-3%	20%	bearish	54.5	0.05	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>0 and CI>0 or better, not be overbought, and be working off a buy-stop.

Best S&P Strategies

Rotation Out of IUSG to Broader Market (RSP) in January

This week: While US Growth is still the top 26-week momentum choice MTUM leads over 3 years and over 52 weeks, IUSG over 6 and 9 months. Rotation into broader US market (RSP) in Q4. US equities catching up with offshore stocks but still lag. Among US strategies, Growth and Momentum outperform the S&P benchmark over 3 years.

YTD	Description	THIS	LAST	13wk	26wk	39wk	52wk	3Y	YTD
4%	(RSP) S&P Equal Weight	0.7%	1.5%	5.8%	9.1%	24.8%	14.3%	32.1%	4%
4%	(SPYD) US High Dividend	1.3%	1.5%	10.5%	11.5%	22.2%	13.0%	34.4%	4%
3%	(MTUM) US Momentum	0.5%	0.7%	1.4%	10.3%	33.3%	23.0%	66.1%	3%
3%	(IUSV) US Value	0.0%	1.2%	6.2%	11.4%	24.8%	15.4%	31.6%	3%
3%	(SPLV) US Low Volatility	1.9%	0.7%	1.5%	1.4%	5.0%	5.5%	17.4%	3%
2%	(QUAL) US Fundamentals	-0.4%	1.4%	4.5%	11.6%	25.9%	14.9%	40.9%	2%
1%	(SPY) US Large-caps	-0.3%	0.9%	3.7%	11.9%	31.3%	18.5%	49.6%	1%
1%	(IUSG) US Growth	-0.5%	0.7%	2.1%	12.5%	37.7%	20.8%	64.5%	1%
0%	(SGOV) Cash	0.1%	0.0%	0.8%	1.8%	2.9%	3.9%	9.5%	0%
0%	(SHY) Short Income	0.0%	-0.1%	0.0%	1.4%	2.4%	3.9%	7.8%	0%

INVESTMENT STRATEGIES: THE GLOBAL INDEX TIMING MODEL

TOP Index Model Move: HOLD GLD

THIS YEAR: (Q1) US Stocks are bullish entering 2026, but US large caps, especially in the Mag 7 growth category are hung-over from year-end valuation constraints. Small caps and International shares are showing early strength against SPY. All are all bullish, but all are lagging gold, due to a weaker Dollar from US tariffs. Fed rate cut optimism in 2026 remains but seems unlikely before June.

THIS WEEK was the second Risk-ON week in a row. Foreign Stocks UP, US Stocks MIXED, US Bonds FLAT, Gold UP. 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 since 8/28/25. Emerging markets (EEM) and US small caps (IWM) are coming on strong this month, but they are verging on overbought. Gold continues to lead the Index Model in technical strength, PMO, and quarterly performance.

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Gold Bullion (GLD)	117%	very bullish	64.8	2.76	positive	improving
2	73%	Emerging Markets (EEM)	112%	very bullish	69.7	2.11	positive	improving
3	68%	US Small-caps (IWM)	113%	very bullish	72.1	1.93	positive	improving
4	52%	US Large-caps (SPY)	106%	very bullish	57.8	0.83	positive	improving
5	47%	Developed Markets (EFA)	110%	very bullish	69.9	2.09	positive	improving
6	9%	Very Long US Bonds (EDV)	41%	neutral	49.7	-0.44	negative	improving
7	0%	Short US Income (SGOV)	100%	very bullish	85.9	0.08	positive	improving

	YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
1	5.7%	US Small-caps (IWM)	4.6%	-1.1%	7.0%	17.0%	38.2%	21.1%	37.1%
2	4.6%	Gold Bullion (GLD)	4.1%	-4.4%	13.2%	34.7%	45.2%	67.0%	118.9%
3	4.4%	Emerging Markets (EEM)	1.6%	2.6%	7.2%	18.0%	41.3%	41.7%	47.9%
4	2.9%	Developed Markets (EFA)	1.8%	0.5%	9.2%	15.7%	33.2%	40.4%	45.3%
5	1.8%	US Large-caps (SPY)	1.6%	-1.0%	4.4%	11.5%	28.2%	21.5%	53.1%
6	1.3%	Very Long US Bonds (EDV)	1.6%	-1.3%	-1.6%	5.4%	-1.6%	2.1%	-15.9%
7	0.1%	Short US Income (SGOV)	0.1%	0.1%	0.4%	0.2%	0.4%	0.3%	0.4%

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. In 2026, the TSP Timing Model is lagging Lifetime Funds. For buy and hold (Lifetime) investors: Relative strength in equities over income means aggressive portfolios are out-performing moderate and conservative Lifetime choices.

The TSP Model: HOLD Large-caps (Fund C)

THIS WEEK was the second Risk-ON week in a row. Foreign Stocks UP, US Stocks MIXED, US Bonds FLAT, Gold UP. TSP Moose HOLDS Large-cap equities (Fund C) via CI since 12/3/25 (@109.48).

*All TSP funds with an equity component are working off buy-stops this week. Fund C holds the TSP Model's #1 spot per confidence index, but price momentum, technical strength, and RSI are swinging back to international as January opens. No funds in the model are overbought or oversold.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	US Large-caps (C)	14%	105%	very bullish	57.20	0.76	positive	improving
2	99%	US Small-caps (S)	15%	108%	very bullish	67.82	1.42	positive	improving
3	99%	Lifetime 2060	14%	107%	very bullish	67.61	1.23	positive	improving
4	98%	Internat stocks (I)	15%	110%	very bullish	76.77	1.88	positive	improving
5	83%	Lifetime 2050	12%	106%	very bullish	67.92	1.04	positive	improving
6	73%	Lifetime 2040	11%	105%	very bullish	68.23	0.94	positive	improving
7	60%	Lifetime 2030	9%	105%	very bullish	68.68	0.79	positive	improving
8	29%	Long-term Inc (L)	4%	103%	very bullish	72.16	0.46	positive	improving
9	19%	Fixed Income (F)	3%	88%	very bullish	51.12	0.14	positive	improving
10	2%	Short-term Inc (G)	0%	91%	very bullish	100.00	0.17	positive	improving

TSP RECENT PRICE ACTION: Fund S leads performance year-to-date, and over 39-weeks. Fund I leads over 13, 26, and 52 weeks. Fund C, only leads over 3 years. The models are more or less based on six-month momentum, so Fund I has the best answer to the question "what have you done for me lately?"

TSP Lifetime & Index Funds: Performance Progression

	FUND	this wk	last wk	13wk	26wk	39wk	52wk	YTD	3Y
1	US Small-caps (S)	1.1%	3.4%	4.7%	14.4%	37.2%	13.3%	5.8%	43.9%
2	Internat stocks (I)	1.3%	1.8%	8.3%	17.2%	33.0%	36.2%	4.1%	48.2%
3	Lifetime 2060	0.4%	1.9%	5.4%	14.0%	31.7%	23.0%	2.9%	48.7%
4	Lifetime 2050	0.3%	1.6%	4.7%	12.0%	26.5%	20.0%	2.4%	41.4%
5	Lifetime 2040	0.3%	1.4%	4.3%	10.8%	23.4%	18.1%	2.1%	37.2%
6	Lifetime 2030	0.2%	1.1%	3.7%	9.2%	19.8%	15.7%	1.7%	32.2%
7	US Large-caps (C)	-0.4%	1.6%	3.7%	11.8%	29.8%	17.2%	1.4%	50.3%
8	Long-term Inc (L)	0.2%	0.6%	2.4%	5.5%	10.6%	9.6%	0.9%	18.8%
9	Short-term Inc (G)	0.1%	0.1%	1.2%	2.2%	3.3%	4.4%	0.2%	9.0%
10	Fixed Income (F)	-0.1%	0.4%	0.9%	4.3%	5.4%	7.4%	0.1%	10.0%

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	2.9%	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	2.4%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	2.1%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	1.7%	15.6%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%
TSP Moose	1.4%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%

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

Notes: January 18, 2026

This week started off with Federal Reserve Chair Jerome Powell revealing that the Justice Department is threatening to indict him for ignoring its requests for information regarding cost over-runs on renovations to two Fed headquarters buildings. Powell cited it as a pretext to fire him. After President Trump warned Iran not to murder protesters or face the consequences, an international human rights organization reported that 2000 had already been killed. Mid-week, a female protester was shot by immigration police officers when she allegedly tried to run one over in Minneapolis on Wednesday.

Although President Donald Trump subsequently said he was not planning to fire Powell and signaled that he is holding off on intervening in Iran, he did express his continued interest in buying Greenland and announced the seizure of another Venezuelan tanker. That and (possible) Ukrainian drone attacks on Russian oil tankers in the Black Sea put the energy markets front and center in the news until the President back-tracked on Iran on Wednesday. Today's Sunday talk shows are all about the Minneapolis protests.

With such exciting new developments dominating the headlines one really can't feel bad about losing track of the markets. The distractions have been way more titillating than the dismal science (economics), which isn't hard to imagine if one is completely honest. Couple that with the fact that most media is inclined to focus on making Trump look bad and ignoring stories that don't and it's no wonder the past 15 days in the US stock market have been largely ignored.

That said, 2026 is shaping up as something you won't want to miss. Markets can go in the tank at any point, of course, so I hope you'll continue to pay attention whether the Moose is around or not. While it is, the executive summary will bring you up to speed, and I will occasionally throw in my two cents—things about the market that stand out to me.

This week, for example, I added a table in Moosecalls identifying the top ten US equity sectors according to their year-to-date performance. It has been a feeding frenzy. Two things about the list stand out. The first is the size of the gains, the second the speed. Six of the ten sectors posted gains in excess of 11% in 16 days. All ten sectors returned more than 8% over the same period. Moreover, of the ten seven are overbought per RSI, meaning a dip (and potential buying opportunity) is to be expected.

There is a lot of money sloshing around out there. US large caps are lagging both US small caps and foreign equities at the moment. Equity indices are lagging metals (GLD>SPY), but mining shares (GDX>GLD) are outperforming their product. Among foreign equities, emerging markets are more attractive than developed nations' equities and US large caps (EEM>EFA>SPY). The US has higher interest rates than many foreign nations, and though we expect them to come down in 2026, foreign rates are likely to come down as well—if not before US rates, in lockstep with them.

Despite a new US tariff system that essentially cheapens the Dollar and taxes the American consumer, the Dollar has been improving for over six months. That bodes well for US investments long term, all else being equal.