MOOSECALLS

Global Financial News & Analysis

JAN.02.2025 through JAN.11.2026

EXECUTIVE SUMMARY: JAN.02.2025

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— MIXED-Risk (1)

THIS was the 1st MIXED-Risk week after one Risk-ON week. Foreign Stocks UP, US Stocks Down, US Bonds DOWN, Gold DOWN.

SELLING INTO 2026

As 2026 opens, US equities are down on the week after investors took profits in the last two trading days of December, not uncommon when equities are richly valued and the objective is to push capital gains obligations forward into the new year. US large caps fell 1.0% and small-caps gave back 1.1%. Offshore equities advanced with emerging markets Latin America (+1.0%) and Asia Pacific ex-Japan (+3.0%) leading developed markets Europe (+0.6%) and Japan (+0.4%) higher. Not unexpectedly, overbought gold (-4.4%) gave back all of last week's gain in the face of Dollar (+0.5%) strength. On the defensive side, long-duration US Treasuries (-1.9%) broke below 200-day support as both long and short yields rose. Commodities (-1.4%) fell again, while oil prices (+0.7%) rose again. No model changes.

GLOBAL OUTLOOK REMAINS NEUTRAL (2 of 4). The Baltic Dry Index is higher in the past quarter (13 weeks), as are copper prices. Oil and US bond yields are down.

INFLATION: No scheduled data this week. Commodity and oil prices were mixed this week.

US ECONOMIC DATA: Light. Jobless Claims Low, Global Manufacturing Steady. Latest recession probability (25.05%) a year out (11/2026) still negligible.

FEDERAL RESERVE: The Fed's balance sheet stands at $6.57 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 April 29 (62%).

INVESTMENT STRATEGIES: The Index Model is outperforming all competitors in 2025. It remains in gold (GLD) after switching from EFA via buy-stop on August 28. It has recently endured a 10% correction but has not triggered a stop-loss. US stocks did trigger buy-stops last week pushing the US Equity Strategy (USES) Model into US Growth. Similarly, all Thrift Savings Plan (TSP) assets with an equity component have triggered the same stop, putting the model in large-cap stocks (Fund C) as well.

GLOBAL OUTLOOK: NEUTRAL (2 of 4)

Global Economic Indicators: Indications are currently neutral for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index rose to 1882 this week, and is higher after 13 weeks, a positive signal.** (After opening 2023 at 1515, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, **WTI oil price at 57.32 rose this week, but is lower for the latest quarter, a negative** signal. (Oil remains below its 2022 peak @$130, but well above its 2020 Covid lows @$10.)

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

Domestically, **10Y US bond yields rose 5 ticks to 4.19% this week but are down over the past 13 weeks, a negative** 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.11.2026

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)**	**107%**	**very bullish**	**53.7**	**2.20**	**-deteriorating**
2	88%	Latin America (ILF)	113%	very bullish	62.8	2.04	-deteriorating
3	78%	US Small-caps (IWM)	93%	very bullish	50.7	0.90	-deteriorating
4	73%	Asia Pacific ex-Japan (AAXJ)	107%	very bullish	**73.7**	0.95	improving
5	68%	Japan (EWJ)	110%	very bullish	67.0	1.79	improving
6	64%	US Large-caps (SPY)	103%	very bullish	53.9	0.72	improving
7	48%	Europe (IEV)	109%	very bullish	**70.1**	1.75	improving
8	1%	Very Long US Bonds (EDV)	45%	neutral	37.7	**-0.87**	improving
9	0%	Short US Income (SGOV)	99%	very bullish	74.5	0.04	improving
		Ryan/CRB Indicator	0.99	no change			
		Volatility Index	6%	very bullish	47	neg	-deteriorating
		US Dollar (UUP)	12%	very bearish	41	neg	-deteriorating
		Commodities (DBC)	56%	neutral	61	neg	-deteriorating
		US Oil (USO)	16%	very bearish	45	neg	improving

Global Economy through JAN.11.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 GOLD Dumps Overbought Condition—
GLD fell 4.4% this week, following last week's 4.4% gain, leaving it ranked #1 globally, very bullish and more attractive than cash. Most recently, GLD is up 12.0% for the quarter (13 weeks) and up 62.3% for the year (52 weeks).

#2 LATIN AMERICA Reasserts Itself—
ILF rose 1.0% this week, following last week's 1.8% gain, leaving it ranked #2 globally, very bullish and more attractive than cash. The index is up 11.7% for the quarter (13 weeks) and up 59.3% for the year (52 weeks).

#3 US SMALL-CAPS Dip to Open New Year—
IWM fell 1.1% this week, following last week's 0.3% gain, leaving it ranked #3 globally very bullish and more attractive than cash. The index is up 3.2% for the quarter (13 weeks) and up 13.5% for the year (52 weeks).

#4 ASIA-PACIFIC Gaps to New High--
AAXJ rose 3.0% this week, following last week's 2.1% gain, leaving it ranked #4 globally, very bullish and more attractive than cash. The index is up 7.9% for the quarter (13 weeks) and up 38.9% for the year (52 weeks).

#5 JAPAN Plods Upward--
EWJ rose 0.4% this week, following last week's 0.5% gain, leaving it ranked #5 globally, very bullish and more attractive than cash. Japan is up 9.8% for the quarter (13 weeks) and up 34.8% for the year (52 weeks.

#6 US LARGE-CAPS Pull Back from Record High—
SPY fell 1.0% this week, following last week's 1.4% gain, leaving it ranked #6 globally, very bullish and more attractive than cash. The index is up 3.2% for the quarter (13 weeks) and up 18.7% for the year (52 weeks). 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 Continues-- IEV rose 0.6% this week, following last week's 1.3% gain, leaving it ranked #7 globally, very bullish and more attractive than cash. Europe is up 8.5% for the quarter (13 weeks) and up 40.4% for the year (52 weeks).

#8 US Long T-BONDS Test Support At 200-day—
EDV fell 1.9% this week, following last week's 1.0% gain, leaving it ranked #8 globally and more attractive than cash. Long bonds are down 4.1% for the quarter (13 weeks) and up −3.1% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield finished the week higher at 4.19%, while the 3-month yield remained at 3.62%, leaving the yield curve positive.

#9 Cash & Income Yields UP—
The US Treasury 10-year yield finished the week up 5 ticks at 4.19%, and the 3-month yield was up 8 at 3.62%, leaving the yield curve slightly flatter but still positively sloped at 57 basis points.

DOLLAR Endures Short-term Weakness—
UUP rose 0.5% this week, following last week's −3.9% loss. It is currently very bearish—down −2.1% for the quarter (13 weeks) but up 7.4% in the last year (52 weeks).

COMMODITY Prices Fall—
A neutral CRB fell 1.4% this week after last week's −0.7% loss. That left commodity prices down −1.8% for the quarter (13 weeks) and up 5.3% for the year (52 weeks). Meanwhile, US oil prices rose 0.7% this week, following last week's 0.7% gain, and are currently very bearish. That leaves oil down −10.4% for the quarter (13 weeks) and up 7.8% for the year (52 weeks).

US ECONOMY: GOV'T DATA

Jobless Claims Low, Global Manufacturing Steady

US Economy: week of JAN.02.2025

THIS WEEK: Light

THE GOOD: Weekly new jobless claims (199K) below forecast and prior. Weekly continuing claims (1866K) down from previous. Weekly EIA Crude Oil Inventories (1.93M) build expands as prices rise. DEC Chicago PMI (43.0) beat expectations and prior, still in contraction mode. DEC S&P Global U.S. Manufacturing PMI – Final (51.8) unchanged, expanding.

THE BAD: Delayed data on consumer confidence and construction spending unavailable.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

Q3 GDP Heats Up

US Inflation: week of JAN.02.2025

NOV CPI (0.2%) cooler than consensus. (1Yr: 3.0%)
NOV Core CPI (0.2%) cooler than consensus. (1Yr: 3.0%)
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.
Q2 Productivity-Rev. (3.3%) revised higher beating consensus and previous.
Q2 Unit Labor Costs – Rev (+1.0%) revised weaker than consensus and previous.
Q2 Current Account Balance: (-$251.3B) below forecasts and prior.

SEP PPI (+0.3%) up inline. (1yr: 2.7%)
SEP Core PPI (+0.1%) COOL (1yr: 2.6%)
SEP PCE Prices (0.3%) in line. (1yr 2.7%)
SEP Core PCE Prices (0.2%) cooler. 1yr 2.9%)
SEP Import Prices (0.0%) below previous. (1 yr +0.3%)
SEP Export Prices (0.0% below previous. (1yr +3.8%)

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 Below Trend At 3.0%

Atlanta Fed Current GDP Model (12/23/2025): **Q4 Annualized +3.0% (Last week: Q3 Annualized +3.5%)**

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.570T); FFR @ (3.50-3.75%)

Federal Reserve:
week of
JAN.02.2025

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). 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 6.570T, (UP .017) in the latest week (DEC31, 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 99% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.48%, however, is 14 bps LOWER than the Fed overnight rate (3.625%), implying US domestic conditions 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 at the March FOMC meeting 51%. The probability goes up to 52% at the April meeting, and 88% by June, after Chairman Powell is gone.

The 3m-10y yield curve flattened this week, going from a positive slope of 60 bps to one of 66 bps, as the 10-year US Treasury yield rose 5 bpt to 4.19%, and the 3-month cash yield fell 1 tick to 3.53%. 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 **3.87%** is up this week, while the 3-month T-bill at 3.53% is down. That puts the SOFR/T-Bill (SOF-T) spread at 34 basis points, above its 200-day average of 16 bps. **A rising SOF-T spread signals a riskier, less confident financial system.**

FED OVERALL THIS WEEK: DOVISH (+1) LW: NEUTRAL (0)
Rate Posture: (Cutting) DOVISH (+1),
Balance Sheet (Steady) NEUTRAL, (0),
Fed Speak QUIET (0),
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 Endures Short-term Weakness

US Dollar: UUP rose 0.5% this week, following last week's −3.9% loss. It is currently very bearish—down −2.1% 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 deteriorating. RSI14 at 30.0 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 the region's trade competitiveness.

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 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 bullish and up 0.6% this week. The Yen is very bearish and up 0.3%. The Pound is bullish and up 0.5%. The Canadian dollar is very bullish and up 0.5%. The Australian dollar is very bullish and up 0.4%, and the Swiss franc is bullish and up 0.4%.

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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.

	TS	READ	US $ investors in Foreign Assets
Australian $ (FXA)	102%	very bullish	US$ Investors outperform hedged
British Pound (FXB)	80%	bullish	US$ investors outperform hedged
Canadian Dollar (FXC)	87%	very bullish	US$ investors outperform hedged
Euro Dollar (FXE)	79%	bullish	US$ investors outperform hedged (IEV>HEDJ)
Swiss Franc (FXF)	79%	bullish	US$ investors outperform hedged
Japanese Yen FXY)	0%	very bearish	US$ investors underperform hedged (EWJ<DXJ)
US Dollar (UUP)	12%	bearish	

US Bond Market:
#8 BONDS Test Support At 200-day

US Long Treasury Bonds: EDV fell 1.9% this week, following last week's 1.0% gain, leaving it ranked #8 globally and more attractive than cash. Long bonds are down 4.1% for the quarter (13 weeks) and up −3.1% for the year (52 weeks) as yields have risen. The 3m-10y yield curve flattened this week, going from a positive slope of 60 bps to one of 66 bps, as the 10-year US Treasury yield rose 5 bpt to 4.19%, and the 3-month cash yield fell 1 tick to 3.53%. That reduces the odds of a recession in late 2026. Technically, US long bonds are neutral, and at 65, EDV is above its short-term (50-day) average at 67, and above its intermediate-term (200-day) average at 66. Momentum is negative but improving, and its 14-day RSI of 37.7 means EDV 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 the region's trade competitiveness.

Bond prices, after a long ride up have corrected about 12% since the October Fed meeting. Long bond prices are back where they were in early summer with a flat intermediate trend and a declining short (50-day) trend. Long yields are up—with the ten-year yield at 4.19% this week. A reopened government certainly hasn't provided much additional clarity to the economic situation yet. Tariff-rooted inflation pressures were expected in the second half and may be part of what's weighing on bond prices but import inflation hasn't shown up in the data yet. Meanwhile solid 3.5% GDP growth has been above the post-war trend for a couple of quarters, and the economy seems to be gaining stream. Absent another government shutdown, we could be off to the races in 2026. The overnight Fed Funds rate (3.62%) is finally lower than the 10-year Treasury yield (+4.19%), but still higher than the 2-year yield (3.48%) and the 3-month yield (3.54%), suggesting that while the Fed rate is much closer to where it should be, it still could be a bit high.

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 Pull Back from Record High

US Large-Cap Stocks: SPY fell 1.0% this week, following last week's 1.4% gain, leaving it ranked #6 globally and more attractive than cash. The index is up 3.2% for the quarter (13 weeks) and up 18.7% for the year (52 weeks). Technically, US large caps are very bullish, and at 683.17, SPY is above its short-term (50-day) average at 675.47, and above its intermediate-term (200-day) average at 618.96. Momentum is positive and improving, and its 14-day RSI of 53.9 means SPY 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 the region's trade competitiveness.

SPY is fractionally below record highs even though the US tariff regime has weakened the Dollar and weighed on US assets since April. SPY rose about 17% this year, a healthy return, but one that paled in comparison to gold (up 65%) and foreign equities (up 30% to 35%) in 2025. Meanwhile, 2026 is expected to be more of the same. 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%).

(Charts reprinted with permission from stockcharts.com.)

US Equity Market:
#3 US SMALL-CAPS Dip to Open New Year

US Small-Cap Stocks: IWM fell 1.1% this week, following last week's 0.3% gain, leaving it ranked #3 globally and more attractive than cash. The index is up 3.2% for the quarter (13 weeks) and up 13.5% for the year (52 weeks). Technically, US small caps are very bullish, and at 249, IWM is above its short-term (50-day) average at 245, and above its intermediate-term (200-day) average at 223. Momentum is positive but deteriorating, and its 14-day RSI of 51 means IWM 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 the region's trade competitiveness.

January is usually the season for small caps, especially if interest rates are falling. IWM was moving in on new highs in mid-December but has slowed since. For the moment 2026 looks bullish. 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 5 Sectors:
Gold Miners, Semiconductors, Biotech, Bitcoin, Technology

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, and breath stays broad and steady-- 89% of our sectors are buy or hold (L89%) with **BUYS** now 37% (L37%) and HOLDS now 52% (L52%). **AVOIDS** are currently 11% (L11%). Potential "Buys" include Gold Miners, Semiconductors, Biotech, Bitcoin, and Technology. "Avoids" include REITs, Healthcare Providers, Consumer Staples, Food & Beverage.

CI%	Description	ROC	TS	READ	RSI		PMO	+/-	Condition
100%	Gold Miners (GDX)	85%	119%	very bullish	54.7		4.53	positive	deteriorating
72%	Semiconductors (SMH)	49%	111%	very bullish	61.9		1.77	positive	improving
49%	Biotechnology (IBB)	40%	109%	very bullish	51.1		1.69	positive	deteriorating
45%	Bitcoin (BLOK)	18%	29%	bearish	47.0		-2.14	negative	deteriorating
40%	US Technology (IYW)	26%	93%	very bullish	49.6		0.40	positive	improving
40%	US Pharmaceuticals (IHE)	35%	112%	very bullish	57.6		2.56	positive	deteriorating
36%	US Oil Equip & Serv (IEZ)	27%	102%	very bullish	61.1		1.20	positive	deteriorating
33%	Telecom (FCOM)	23%	106%	very bullish	56.8		1.21	positive	improving
29%	US Aerospace & Def (PPA)	21%	104%	very bullish	64.8		1.24	positive	improving
26%	Retail (XRT)	14%	80%	very bullish	51.4		1.27	positive	deteriorating
25%	**S&P 500 (SPY)**	**17%**	**103%**	**very bullish**	**53.9**		**0.72**	**positive**	**improving**
24%	Media Portfolio (XLC)	17%	95%	very bullish	55.1		0.92	positive	improving
23%	KB Banks (KBE)	15%	89%	very bullish	54.0		1.88	positive	deteriorating
22%	Transports (IYT)	12%	95%	very bullish	56.8		1.34	positive	deteriorating
20%	Capital Markets (KCE)	11%	88%	very bullish	56.4		1.11	positive	improving
18%	Industrials (XLI)	11%	103%	very bullish	60.0		0.84	positive	improving
14%	DJ Internet Index (FDN)	7%	37%	bearish	39.2		-0.32	negative	improving
13%	Software (XSW)	4%	35%	bearish	38.4		-0.20	negative	deteriorating
11%	Oil/Gas Expl & Prod (XOP)	4%	50%	neutral	51.5		-0.56	negative	deteriorating
11%	Home Construction (XHB)	6%	43%	neutral	46.7		-0.41	negative	deteriorating
11%	Utilities (XLU)	7%	56%	neutral	51.5		-0.71	negative	improving
9%	Select Materials (XLB)	7%	98%	very bullish	65.3		1.39	positive	improving
3%	US Medical Devices (IHI)	0%	88%	very bullish	43.9		0.34	positive	deteriorating
3%	KBW Insurance (IAK)	1%	96%	very bullish	50.2		1.22	positive	deteriorating
3%	**CASH**	**2%**	**78%**	**bullish**	**52.4**		**0.03**	**positive**	**deteriorating**
2%	REITs (VNQ)	1%	27%	bearish	43.2		-0.39	negative	deteriorating
-2%	US Health Providers (IHF)	1%	49%	neutral	52.5		-0.14	negative	improving
-2%	Consumer Staples (XLP)	-3%	31%	bearish	47.6		0.26	positive	deteriorating
-4%	Food & Beverage (PBJ)	-6%	17%	very bearish	45.1		0.28	positive	deteriorating

INTERNATIONAL MARKETS:
#1 GOLD Dumps Overbought Condition

Gold Bullion: GLD fell 4.4% this week, following last week's 4.4% gain, leaving it ranked #1 globally and more attractive than cash. Most recently, GLD is up 12.0% for the quarter (13 weeks) and up 62.3% for the year (52 weeks). Technically, gold bullion is very bullish, and at 398, GLD is above its short-term (50-day) average at 384, and above its intermediate-term (200-day) average at 330. Momentum is positive but deteriorating, and its 14-day RSI of 54 means GLD 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 the region's trade competitiveness.

Gold's overbought rally soared to new records last week and gave it all back this week. After triggering multiple buy-stops last week, putting it at severely overbought levels, it gapped lower this week. Nevertheless, gold remains attractive. Cheaper US money is potentially inflationary and good for gold, 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. 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 Fall

Commodities: A neutral DBC fell 1.4% this week after last week's −0.7% loss. That left commodity prices down −1.8% for the quarter (13 weeks) and up 5.3% for the year (52 weeks).
At 22, the DBC is below its short-term (50-day) average at 23, and above its intermediate-term (200-day) average at 22. Momentum is negative and deteriorating, and its 14-day RSI of 42 means DBC 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 the region's trade competitiveness.

Crude Oil: US oil prices rose 0.7% this week, following last week's 0.7% gain, and are currently very bearish. That leaves oil down −10.4% for the quarter (13 weeks) and up 7.8% for the year (52 weeks). At 69, USO is below its short-term (50-day) average at 70, and below its intermediate-term (200-day) average at 72. Momentum is negative but improving, and its 14-day RSI of 47 means oil is neither overbought nor oversold. A more expensive Dollar this week dampened returns on oil, commodities, and gold. Longer term, a bearish Dollar improves returns to Dollar investors in foreign equities, commodities, and gold, but reduces the region's trade competitiveness.

This weekend's US takeover of Venezuela's oil resources will likely increase oil supply and lower prices later in 2026, as "drill, baby, drill" does the same in the US. The end of the summer driving season helped drop West Texas Intermediate crude prices into the mid-fifties in October. 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 Continues

European Large-Cap Stocks: IEV rose 0.6% this week, following last week's 1.3% gain, leaving it ranked #7 globally and more attractive than cash. Europe is up 8.5% for the quarter (13 weeks) and up 40.4% for the year (52 weeks). Technically, IEV is very bullish, and at 69, it is above its short-term (50-day) average at 66, and above its intermediate-term (200-day) average at 62. Momentum is positive and improving, and its 14-day RSI of 70 means IEV 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 the region's trade competitiveness.

The Fed rate cut prompted Europe to punch higher the next day, and it kept going this week. Cheaper US money is good for European stocks, and the tariff situation is less of a problem for Europe than it is for US consumers and business. In Britain, the BoE is keeping rates high, cautious about cutting too fast, and monitoring inflation and labor-market dynamics carefully. Meanwhile, the European Central Bank is also cautious but more dovish keeping its benchmark rate steady at 2% compared to the latest 3.625% Fed rate. A neutral Euro and European borrowing costs that are half those of the US give the EU a monetary advantage over the US, but it is receding with each US rate cut. (A neutral to slightly bearish Euro vs. Dollar keeps IEV slightly 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:
#5 JAPAN Plods Upward

Japanese Stocks: EWJ rose 0.4% this week, following last week's 0.5% gain, leaving it ranked #5 globally and more attractive than cash. Japan is up 9.8% for the quarter (13 weeks) and up 34.8% for the year (52 weeks). Technically, EWJ is very bullish, and at 81, it is above its short-term (50-day) average at 78, and above its intermediate-term (200-day) average at 70. Momentum is positive and improving, and its 14-day RSI of 67 means EWJ 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 the region's trade competitiveness.

The new Japanese PM has announced a US$ 135B stimulus program to boost growth and assist households with affordability. Inflation continues to rise at 3%, however, prompting reports that BoJ may be close to raising rates. Japanese headline inflation is above the Bank of Japan's 2% target for a third straight year. It meets next week and a long anticipated 25-basis-point rate hike has consistently been pushed back. This week EWJ is waiting to make sure of the Bank's direction before making new highs or abandoning old ones. For now, the dovish BoJ lending at 0.5% gives Japan and EWJ a significant but shrinking advantage over the US, which has a 3.625% Fed rate. For Dollar investors, a bearish Yen vs. the Dollar makes the hedged version (DXJ) of Japanese equities preferable to EWJ as political momentum turns 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:
#4 ASIA-PACIFIC Gaps to New High

Asia-Pacific ex-Japan: AAXJ rose 3.0% this week, following last week's 2.1% gain, leaving it ranked #4 globally and more attractive than cash. The index is up 7.9% for the quarter (13 weeks) and up 38.9% for the year (52 weeks). Technically, AAXJ is very bullish, and at 96, it is below its short-term (50-day) average at 91, and below its intermediate-term (200-day) average at 82. Momentum is positive and improving, and its 14-day RSI of 74 means AAXJ 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 the region's trade competitiveness.

Cheaper US money is good for US export demand everywhere. It keeps Asian equities in the number 3 slot in the regional index model. Both lag #1 Latin America but only fractionally. US tariffs are the reason US stocks are lagging and have been all year. Asian equities remain positive. Asian equity markets (AAXJ +12) are comparably attractive to US stocks (VTI +11). South Korea (EWY +33) is a standout. Hong Kong (EWH +11) is doing well. Taiwan (EWT +8), Singapore (EWS +7) and China (FXI +4) lag the US. Australia (EWA 1) and India (PIN 1) 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 Reasserts Itself

Latin America 40: ILF rose 1.0% this week, following last week's 1.8% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 11.7% for the quarter (13 weeks) and up 59.3% for the year (52 weeks). Technically, ILF is very bullish, and at 31, it is above its short-term (50-day) average at 29, and above its intermediate-term (200-day) average at 25. Momentum is positive but deteriorating, and its 14-day RSI of 63 means ILF 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 the region's 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 propelled Latin equities into the number 1 slot in the regional index model three weeks ago and kept it there this week. US tariffs are the reason foreign stocks are outperforming and have been all year. Cheaper US money is good for Latin stocks, and the tariff situation is less of a problem for Latin exporters than it is for US consumers and business. Latin stocks (ILF +20) have outperformed their US cousins (VTI +11) for nine months but are fading lately. Chile (ECH +26), Colombia (COLO +29), Mexico (EWW +18) and Brazil (EWZ +14) are strongest, while Argentina (ARGT +6) is digging itself out of its most recent leftist hole. Canada (EWC +18) 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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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	**59.4%**	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	**5.1%**	9.0%	-6.0%
Aggressive G&I (AOA)	17.5%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%	3.5%
S&P Benchmark	14.5%	24.5%	24.3%	-19.5%						
Moderate G&I (AOM)	10.2%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%	**5.3%**
US Strategy Moose	8.4%	**26.1%**	12.3%	**-7.0%**	**22.2%**	**20.9%**	**23.6%**	1.2%	**28.5%**	-5.6%

The Index Model crushed all competitors in 2025 after lagging buy-and-hold in 2024.
US Strategy Model outperformed all competitors in 2024 but lags 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.

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

Among Buy & Hold strategies, Aggressive growth has been 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
64%	**Aggressive Growth (AOA)**	**12%**	104%	very bullish	59.4	**0.70**	positive	improving
39%	Moderate Growth & Inc (AOM)	9%	104%	very bullish	59.0	0.60	positive	improving

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
19.1%	**Aggressive Growth (AOA)**	**-0.2%**	1.1%	**4.6%**	**11.3%**	**21.0%**	**20.4%**	**36.6%**
12.3%	Moderate Growth & Inc (AOM)	-0.3%	**1.4%**	3.6%	8.0%	13.5%	14.6%	23.4%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.3%	Moderate Growth & Inc (AOM)	88.89	90.05	90.73	90.73	68.45	88.58	82.35
98.9%	Aggressive Growth (AOA)	47.67	47.85	48.28	48.36	41.20	47.19	44.84

The US Equity Strategy (USES) Model
TOP US Equity Strategy: HOLD US Growth

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 second rate cut in the books, and possibly one more rate cut 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: All USES funds are working off buy-stops this week, including SPY, having exited the previous false switch to cash and returned to US Growth (IUSG) 12/5/25 @169.25. Among US stock strategies, US Growth still leads in confidence index, technical strength and rate of change.

THIS was the 1st MIXED-Risk week after one Risk-ON week. Foreign Stocks UP, US Stocks Down, US Bonds DOWN, Gold DOWN.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Growth (IUSG)**	**18%**	**103%**	**very bullish**	**51.8**	**0.61**	**positive**	**improving**
2	82%	US Large-caps (SPY)	15%	103%	very bullish	53.9	0.72	positive	improving
3	61%	US Fundamentals (QUAL)	11%	103%	very bullish	55.1	0.85	positive	deteriorating
4	60%	US Value (IUSV)	12%	103%	very bullish	58.3	0.95	positive	improving
5	59%	US Momentum (MTUM)	9%	86%	very bullish	54.2	0.55	positive	improving
6	50%	S&P Equal Weight (RSP)	7%	93%	very bullish	52.5	0.91	positive	deteriorating
7	29%	US High Dividend (SPYD)	9%	103%	very bullish	71.6	1.97	positive	improving
8	11%	Cash (SGOV)	2%	78%	bullish	57.6	0.07	positive	deteriorating
9	-2%	Short Income (SHY)	0%	59%	neutral	51.2	-0.01	negative	deteriorating
10	-15%	US Low Volatility (SPLV)	-4%	24%	bearish	46.4	0.03	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 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

Rotation Out of IUSG to Broader Market (RSP) Marks Quarter

This week: 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 wk	last wk	13wk	26wk	39wk	52wk	3Y
1	23%	US Momentum (MTUM)	-0.9%	1.5%	0.2%	7.4%	27.2%	**23.2%**	**64.1%**
2	21%	US Growth (IUSG)	-1.3%	1.7%	3.8%	**13.7%**	**33.3%**	20.7%	63.5%
3	18%	US Large-caps (SPY)	-1.0%	1.4%	4.5%	12.7%	24.6%	18.0%	47.7%
4	13%	US Fundamentals (QUAL)	-0.9%	1.1%	4.8%	11.5%	18.8%	13.1%	38.5%
5	13%	US Value (IUSV)	-0.7%	1.0%	5.5%	11.5%	15.1%	14.2%	27.9%
6	12%	S&P Equal Weight (RSP)	-0.5%	0.5%	4.0%	8.2%	14.0%	12.5%	26.6%
7	4%	US High Dividend (SPYD)	**0.3%**	**3.5%**	**7.5%**	11.9%	9.1%	11.9%	29.7%
8	4%	Short Income (SHY)	0.1%	0.0%	0.3%	1.3%	2.5%	4.1%	8.1%
9	3%	US Low Volatility (SPLV)	-0.9%	1.0%	-0.9%	-0.5%	-3.1%	2.7%	15.0%
10	3%	Cash (SGOV)	0.1%	0.1%	0.8%	1.9%	2.9%	4.0%	9.6%

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 #2 Gold (GLD) via buy-stop since 8/28/25. Severely overbought, gold corrected about 11% on hawkish Fed-speak in November, never triggering a stop-loss. This week, US small caps (IWM) have overtaken gold in the primary momentum metric (CI%). Gold continues to lead in technical strength, PMO, and quarterly performance. Gold is overbought, but we are sticking with the hold. Would wait for a dip to add.

THIS was the 1st MIXED-Risk week after one Risk-ON week. Foreign Stocks UP, US Stocks Down, US Bonds DOWN, Gold DOWN.

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**Gold Bullion (GLD)**	**107%**	**very bullish**	**53.7**	**2.20**	**positive**	**deteriorating**
2	78%	US Small-caps (IWM)	93%	very bullish	50.7	0.90	positive	deteriorating
3	68%	Emerging Markets (EEM)	105%	very bullish	69.8	0.78	positive	improving
4	64%	US Large-caps (SPY)	103%	very bullish	53.9	0.72	positive	improving
5	51%	Developed Markets (EFA)	108%	very bullish	65.2	1.68	positive	improving
6	1%	Very Long US Bonds (EDV)	45%	neutral	37.7	-0.87	negative	improving
7	0%	Short US Income (SGOV)	99%	very bullish	74.5	0.04	positive	improving

	YTD	Description	13wk	26wk	39wk	52wk	3Y
1	**64.5%**	**Gold Bullion (GLD)**	**12.0%**	**30.1%**	**38.2%**	**62.3%**	**106.8%**
2	35.8%	Emerging Markets (EEM)	6.8%	18.0%	30.4%	37.2%	43.6%
3	30.6%	Developed Markets (EFA)	6.8%	13.5%	38.1%	35.4%	41.9%
4	17.6%	US Large-caps (SPY)	3.2%	10.2%	22.6%	18.7%	47.7%
5	13.2%	US Small-caps (IWM)	3.2%	11.1%	23.6%	13.5%	24.0%
6	3.3%	Short US Income (SGOV)	0.0%	0.3%	0.4%	0.4%	0.5%
7	-0.8%	Very Long US Bonds (EDV)	-4.1%	0.2%	-7.9%	-3.1%	-20.9%

Public Sector Strategies-- Thrift Savings Plan

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 2025, 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 was the 1st MIXED-Risk week after one Risk-ON week. Foreign Stocks UP, US Stocks Down, US Bonds DOWN, Gold DOWN.

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)**	**15%**	101%	very bullish	61.55	0.70	**positive**	**improving**
2	98%	US Small-caps (S)	14%	101%	very bullish	55.85	0.82	positive	improving
3	94%	Lifetime 2060	14%	103%	very bullish	63.31	0.84	positive	improving
4	84%	Internat stocks (I)	14%	**107%**	**very bullish**	**67.81**	**1.07**	positive	improving
5	78%	Lifetime 2050	12%	102%	very bullish	63.59	0.72	positive	improving
6	68%	Lifetime 2040	11%	102%	very bullish	63.85	0.65	positive	improving
7	56%	Lifetime 2030	9%	101%	very bullish	64.32	0.56	positive	improving
8	25%	Long-term Inc (L)	4%	102%	very bullish	66.84	0.35	positive	improving
9	13%	Fixed Income (F)	3%	95%	very bullish	57.22	0.09	positive	improving
10	0%	Short-term Inc (G)	0%	88%	very bullish	100.00	0.17	positive	deteriorating

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

TSP Lifetime & Index Funds: Performance Progression

	FUND	13wk	26wk	39wk	52wk	YTD	3Y
1	**Internat stocks (I)**	**6.2%**	13.8%	**24.4%**	**31.9%**	**32.7%**	39.5%
2	Lifetime 2060	4.5%	13.9%	22.8%	20.8%	23.0%	43.2%
3	Lifetime 2050	4.0%	11.9%	19.5%	18.2%	20.0%	37.0%
4	US Large-caps (C)	4.3%	**14.4%**	22.4%	16.2%	19.3%	**48.9%**
5	Lifetime 2040	3.6%	10.7%	17.5%	16.6%	18.1%	33.4%
6	Lifetime 2030	3.2%	9.2%	15.1%	14.5%	15.8%	29.3%
7	US Small-caps (S)	1.1%	12.6%	20.4%	10.9%	13.6%	31.6%
8	Long-term Inc (L)	2.1%	5.4%	8.6%	9.1%	9.6%	18.0%
9	Fixed Income (F)	1.1%	3.7%	5.2%	7.4%	7.3%	9.0%
10	Short-term Inc (G)	1.1%	2.2%	3.3%	4.4%	4.4%	9.0%

***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	2025 YTD	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**22.6%**	**16.3%**	**23.3%**	-15.9%	**19.9%**	new	--	--	--
L2050	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	**23.3%**	-6.0%	18.8%
L2040	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	15.6%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%
TSP Moose	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

2026 & The Moose

Decision Moose has had a thirty-plus-year run as a financial newsletter. Initially it was free. But when bootleggers copied it and started selling it for $250 a year, I had to start charging for it in order to show “economic loss” and get them to stop. I started charging 50 cents a week, which I increased over the course of a decade or two, but the price never exceeded a buck a week. (The point has never been to make money with the site, but to research market-timing and model-building and share the knowledge.)

That said, one should never make it a point to lose money either, but when my webservice provider abruptly abrogated its long-standing contract with me to process your credit cards two years ago, that became impossible. The bigger problem, however, is that a website that has been around in one form or another since 1995 suddenly had zero Google presence. It was virtually erased from the search engines. Sharing one’s knowledge is rather impossible if no one knows you exist.

So here’s the plan, the decisionmoose newsletter will be free going forward while I decide if it is worth my time and worthy of anyone’s interest. It will no longer be guaranteed weekly but published “as needed”. Everyone on the subscriber list will get an email announcing the latest edition. The entire newsletter will be available at the site in pdf format. (I will have to simplify and shorten it. I’d hoped to automate much of it, but the resources I’ve been relying on so far are still not ready for prime time.) Over time, the site will be condensed to be an executive summary of the pdf.