

MOOSECALLS

Global Financial News & Analysis
FEB.06.2026 through FEB.15.2026

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EXECUTIVE SUMMARY: FEB.06.2026

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

GLOBAL MARKETS: WEEK'S ACTION— MIXED Risk (3)

THIS WEEK was the third MIXED-risk week in a row. Foreign Stocks UP, US Stocks MIXED, US Bonds UP and Gold UP.

An International Rally

As the Olympic Committee prepared to hand out gold medals in Italy over the next 16 days, gold bullion (+2.4%) regained much of last week's 2.8% loss. GLD remains #1 in the Index model. Foreign equities, emerging (+1.6%), and developed (+1.9%), however, continue to show more strength than US shares. That is especially true of Japan (+4.3%), Latin America (+1.9%), Asia Pacific (+1.4%) and Europe (+1.1%). Ever since the advent of US tariffs US large caps (-0.2%) being the more exposed to international trade, have underperformed small caps. IWM (+2.1%) has been trying to take up the slack, but their volatility has retarded the progress. US long bonds (+1.1%) though bearish, rallied this week amid lower long rates. The 10-year yield dropped to 4.21%, and cash yields added a tick to 3.59%, flattening the yield curve to 62 bps. Despite falling interest rates, the Dollar (+0.6%) recovered from a sharp six-day oversold loss this week. The jump in the greenback weighed on commodities (-1.7%) especially oil (-3.4%) and added to the recent losses in Bitcoin. No model changes this week.

GLOBAL OUTLOOK IS BROADLY POSITIVE 3 of 4). Only the Baltic Dry Index is down over the quarter. Copper and oil prices and US bond yields are all higher in the past quarter— positive indications for the global economy.

INFLATION: Commodity and Oil prices slipped lower but remain bullish. EX-Im prices and CPI next week.

US ECONOMIC DATA: Mixed weekly report. Jobless Claims Up, Job Openings Down, ADP Jobs Weak. Manufacturing, Services and Consumer Sentiment Up and Expansionary.

FEDERAL RESERVE: Kevin Warsh has been tapped to replace Jerome Powell in May as Fed chair. The Fed Check also turned hawkish as of 1/30/2026 (tighter monetary policy likely to combat global inflation pressures.) No rate hike is expected per CME futures, however. The next 25 bps Fed rate cut (likelihood >60%) is expected June 17 (75%). No change at the January FOMC meeting. The Fed's balance sheet stands at \$6.60 trillion, with the Fed Funds Rate at 3.50-3.75%.

INVESTMENT STRATEGIES: (1) The Index Model is outperforming all competitors in 2026. It has held gold (GLD) since switching from EFA via buy-stop on August 28, 2025. It is neither overbought nor close to a stop-loss. (2) The US Equity Strategy (USES) Model bought into US Growth in December. A change to SPYD appears imminent once it is no longer overbought. IUSG touched a stop loss this week but recovered. SPY did as well. US stocks are not the best equity choice, but they still beat cash. (3) The Thrift Savings Plan (TSP) switched out of US large-cap stocks (Fund C) and into Fund (I) International stocks last week (1/30).

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications are uniformly positive for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index fell to 1923 this week, and is down after 13 weeks, a negative signal.** (After opening 2026 at 1882, BDI is still well below its 2010 peak @4640.) Meanwhile, another proxy for world activity, **WTI oil price at 63.50 fell this week, up 6% in 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 (\$5.88) rose this week, and remains 18% higher this quarter, a positive signal.** Domestically, **10Y US bond yields fell to 4.21% this week and are up 12 bps over the past 13 weeks, a positive bet on the largest world economy.**

GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose
ETF Rankings
through
FEB.06.2026

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.) Latin America (ILF) is a strong second, but very volatile. Emerging markets are a safer choice for those tired of gold.

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)	110%	very bullish	55.9	4.26	deteriorating
2	99%	Latin America (ILF)	123%	very bullish	65.5	5.09	improving
3	62%	Asia Pacific ex-Japan (AAXJ)	108%	very bullish	63.5	2.38	deteriorating
4	60%	Japan (EWJ)	113%	very bullish	71.4	2.55	improving
5	56%	US Small-caps (IWM)	95%	very bullish	57.1	1.39	deteriorating
6	37%	Europe (IEV)	108%	very bullish	61.5	1.94	deteriorating
7	36%	US Large-caps (SPY)	95%	very bullish	52.2	0.40	deteriorating
8	3%	Very Long US Bonds (EDV)	17%	bearish	50.7	-0.43	deteriorating
9	1%	Short US Income (SGOV)	89%	very bullish	45.3	0.05	deteriorating
		US Dollar	6%	very bearish	45	negative	deteriorating
		Commodities	99%	very bullish	53	positive	improving
		US Oil	99%	very bullish	59	positive	improving
		Ryan/CRB	94%	HIKE RATES			
		Volatility	20.4	risk appetite on			

YTD	FUND	THIS	LAST	13wk	26wk	39wk	52wk	3Y
18.4%	Latin America (ILF)	1.9%	1.1%	27.5%	45.0%	57.2%	67.3%	46.3%
14.9%	Gold Bullion (GLD)	2.4%	-2.8%	23.5%	47.3%	46.6%	72.6%	139.2%
10.7%	Japan (EWJ)	4.3%	1.4%	15.3%	22.2%	37.0%	44.6%	54.0%
9.2%	Asia Pacific ex-Japan (AAXJ)	1.4%	0.1%	8.9%	19.8%	39.3%	44.2%	70.1%
7.7%	US Small-caps (IWM)	2.1%	-1.9%	8.3%	15.4%	35.2%	18.3%	38.5%
5.7%	Europe (IEV)	1.1%	0.9%	12.7%	15.9%	24.2%	36.5%	48.1%
1.3%	US Large-caps (SPY)	-0.2%	0.4%	1.7%	8.1%	24.7%	16.7%	45.4%
0.8%	Very Long US Bonds (EDV)	1.1%	-1.7%	-3.5%	0.3%	-0.8%	-4.8%	-17.3%
0.0%	Short US Income (SGOV)	-0.2%	0.1%	0.4%	0.2%	0.3%	0.3%	0.4%

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 GOLD Regains Its Footing--

Gold rose 2.4% this week, after losing 2.8% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 23.5% for the quarter and up 72.6% for the year.

#2 LATIN AMERICA Cools From Overbought --

ILF rose 1.9% this week, after gaining 1.1% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 27.5% for the quarter and up 67.3% for the year.

#3 ASIA-PACIFIC Steady Near High--

AAXJ rose 1.4% this week, after gaining 0.1% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 8.9% for the quarter and up 44.2% for the year.

#4 JAPAN Jumps Higher--

EWJ rose 4.3% this week, after gaining 1.4% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is up 15.3% for the quarter and up 44.6% for the year.

#5 US SMALL-CAPS Hold Their 50-day--

IWM rose 2.1% this week, after losing 1.9% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 8.3% for the quarter and up 18.3% for the year.

#6 EUROPE Trending Sideways--

IEV rose 1.1% this week, after gaining 0.9% last week. That left it very bullish and ranked 6 globally and more attractive than cash. The index is up 12.7% for the quarter and up 36.5% for the year.

#7 US LARGE-CAPS Track 50-Day--

SPY fell 0.2% this week, after gaining 0.4% last week. That left it very bullish and ranked 7 globally and more attractive than cash. The index is up 1.7% for the quarter and up 16.7% for the year. **This week's US equity sector momentum is positive; breadth is broad but shrinking-- 78% of our sectors are buy or hold (L81%) with BUYS now 48% (L48%) and HOLDS now 30% (L33%). AVOIDS are currently 22% (L19%). Potential "Buys" include Gold Miners, Semiconductors, Biotech, Pharma, Oil Equipment & Services. "Avoids" include Software, Medical Devices, Insurance, Healthcare, Food & Beverage, and Internet.**

#8 Three-Month T-Bill (SGOV) Yield Up, Long Yields (10Y) Down--

SGOV rose 0.1% this week, after gaining 0.1% last week. That left it ranked 8 globally. The index is up 0.4% for the quarter and up 0.3% for the year. The US Treasury 3-month (cash) yield rose 1 tick to 3.59, 10-year yield fell 7 ticks this week to 4.21 and with the yield curve flattening to 62 basis points.

#9 LONG BOND Momentum Still Negative--

EDV rose 1.1% this week, after losing 1.7% last week. That left it very bearish and ranked 9 globally and less attractive than cash. Long bonds are down 3.5% for the quarter and down 4.8% for the year as yields have risen.

COMMODITIES' Overbought Plunge Slows-- The CRB fell 1.7% this week after gaining 1.0% last week. That left commodity prices up 5.7% for the quarter and up 8.8% for the year. USO fell 3.2% this week, following last week's gain of 7.5%. Crude Oil remains very bullish. That leaves oil prices up 7.2% for the quarter and up 1.2% for the year.

US DOLLAR Latest Plunge Recovers 50% --

UUP rose 0.6% this week, after losing 0.2% last week. It is currently very bearish, down 3.3% for the quarter and down 7.9% for the year.

	YTD	Description	THIS	LAST	13wk	26wk	39wk	52wk	3Y
1	18.4%	Latin America (ILF)	1.9%	1.1%	27.5%	45.0%	57.2%	67.3%	46.3%
2	14.9%	Gold Bullion (GLD)	2.4%	-2.8%	23.5%	47.3%	46.6%	72.6%	139.2%
3	10.7%	Japan (EWJ)	4.3%	1.4%	15.3%	22.2%	37.0%	44.6%	54.0%
4	9.2%	Asia Pacific ex-Japan (AAXJ)	1.4%	0.1%	8.9%	19.8%	39.3%	44.2%	70.1%
5	7.7%	US Small-caps (IWM)	2.1%	-1.9%	8.3%	15.4%	35.2%	18.3%	38.5%
6	5.7%	Europe (IEV)	1.1%	0.9%	12.7%	15.9%	24.2%	36.5%	48.1%
7	1.3%	US Large-caps (SPY)	-0.2%	0.4%	1.7%	8.1%	24.7%	16.7%	45.4%
8	0.8%	Very Long US Bonds (EDV)	1.1%	-1.7%	-3.5%	0.3%	-0.8%	-4.8%	-17.3%
9	0.0%	Short US Income (SGOV)	-0.2%	0.1%	0.4%	0.2%	0.3%	0.3%	0.4%

US ECONOMY: GOV'T DATA

Jobless Claims Up, Openings Down, ADP Jobs Weak, Manufacturing, Services and Consumer Sentiment Up

US Economy:
week of
FEB.06.2026

THIS WEEK: MIXED

THE GOOD: FEB Univ. of Michigan Consumer Sentiment – Prelim (57.3) beat consensus and previous. JAN S&P Global US Manufacturing PMI – Final (52.4) expanding, beat prior. JAN ISM Manufacturing Index (52.6%) expanding, beat consensus and prior. JAN S&P Global U.S. Services PMI – Final (52.7) expanding, beat prior. JAN ISM Non-Manufacturing Index (53.8%) in line with prior, beat consensus.

THE BAD: Weekly EIA Crude Oil Inventories (-3.46M) draw deepened as oil prices fell. Weekly Initial Claims (231K) above prior and forecasts. Weekly Continuing Claims (1844K) above prior. JAN ADP Employment Change (22K) below prior and weaker than consensus. DEC JOLTS - Job Openings (6.542M) down from prior.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

Consumer Inflation Steady, Producer Index Heats Up

US Inflation:
week of
FEB.06.2026

DEC CPI (+0.3%) hot m-t-m. (1-yr = 2.7%)
DEC Core CPI (+0.2%) hot m-t-m. (1-yr = 2.6%)
DEC PPI (+0.5%) hot m-t-m. (1-yr = 3.0%)
DEC Core PPI (+0.6%) hot m-t-m. (1-yr = 3.2%)
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)

NOV PCE Price Index (+0.2%) in line. (1yr 2.7%)
NOV Core PCE Price Index (+0.2%) in line. (1yr 2.8%)
OCT PCE Price Index (+0.2%) in line with consensus cooler than prior. (1yr 2.7%)
OCT Core PCE Price Index in line with consensus and prior. (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 GDP – R3 (+4.4%) beat consensus.
Q3 GDP Deflator – R3 (+3.8%) in line.

Q3 Employment Cost Index (+0.8%) up in line with expectations.
Q3 Productivity- (+4.9%) solid, revised in line.
Q3 Unit Labor Costs- (-1.9%) cool, revised in line.
Q3 **Current Account Balance** (-\$226.4B) deficit below previous and expectations.

US ECONOMY: RECESSION & GDP INDICATORS

NY FED: MINIMAL RECESSION THREAT RECEDES AGAIN

US recession chances one year out: 18.87% (JAN 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 Backs to 4.2% Atlanta Fed Current GDP Model (2/2026): Q4 Annualized 4.2% (Last week: Q4 Annualized +4.2%)

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

**Federal Reserve:
week of
FEB.06.2026**

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 6.60T, (up .02T) in the latest week (1/29/2025). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change at the January FOMC meeting.

The next FOMC meeting is March 18. Jerome Powell will leave in May as Fed chair. Kevin Warsh has been tapped to replace him. Warsh seems inclined to reduce the Fed balance sheet and be more hawkish. Meanwhile, futures make a 2026 rate cut unlikely until Chairman Powell is gone. Odds don't exceed 50% until June's 75% CME read.

Just as well. The Fed Check at 94% has turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at 3.504%, however, is about 12 bps LOWER than the Fed overnight rate (3.625%), implying US domestic conditions should merit at least one more Fed rate cut. That Fed rate cut, is still expected June 17.

The 3m-10y yield curve flattened this week, going from a positive slope of 70 bps to one of 62 bps, as the 10-year US Treasury yield fell 5 bpt to 4.21%, and the 3-month cash yield rose 1 tick to 3.59%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The 30d-10y median yield is below its 200-day and still falling, leaving our interest rate signal for stocks bearish.

3-month SOFR yield at 3.65% is unchanged this week, while the 3-month T-bill at 3.59% is up. That puts the SOFR/T-Bill (SOF-T) spread at 6 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: NEUTRAL (0) LW: NEUTRAL (0)
LATEST Rate Posture: (No Change) NEUTRAL (0)
LATEST Balance Sheet (up .02T) DOVISH, (+1),
Fed Speak NEUTRAL (0),
Fed Check HAWKISH (-1)

Latest FOMC Assessment (2026.1.28) Available indicators suggest that economic activity has been expanding at a solid pace. Job gains have remained low, and the unemployment rate has shown some signs of stabilization. Inflation 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. In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will consider a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. **(Next FOMC meeting: 2026.3.18)**

US Currency Market: US DOLLAR Latest Plunge Recovers 50%



US Dollar: UUP rose 0.6% this week, after losing 0.2% last week. It is currently very bearish, down 3.3% for the quarter and down 7.9% for the year. At \$27.01, UUP is below its short-term average and above its intermediate-term average. Momentum in the greenback is negative but improving. RSI14 at 46.8 is neither overbought nor oversold.

The Dollar is working off a stop loss but has risen to the middle of its price channel and is not likely to extend previous losses. US tariffs should dampen US economic performance and weaken the Dollar. Although the Dollar is up from where it was when the tariffs were first announced last April—it is 7% weaker than 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 were excelling before their latest set-back. Most major currencies are bullish or neutral versus the Dollar, only the Yen is bearish. As for other major currencies, versus the Dollar, the Australian dollar, British pound, Canadian dollar, euro, and Swiss franc are all very bullish and higher on the week, while the Japanese yen remains bearish despite rising 0.7%.

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Carry-trade This Week

Moose guidance is based on US Dollar denominated ETF proxies. Investors seeking to maximize profits when investing in offshore securities may wish to incorporate a "carry-trade" currency strategy into the decision, (Basically, if a foreign currency is weakening (bearish) against the Dollar, using a Dollar-denominated ETF to invest in that country's assets will outperform using a hedged vehicle. If, however, the foreign currency is bullish vs. the Dollar, the Dollar-denominated investment will underperform. In the event of a weak Dollar there may be currency-hedged foreign equity ETFs available at least for Europe (HEDJ) and Japan (DXJ) that will outperform.

Description	READ	US \$ investors in Foreign Assets
Australian \$ (FXA)	very bullish	US\$ Investors outperform hedged
British Pound (FXB)	very bullish	US\$ Investors outperform hedged
Canadian Dollar (FXC)	very bullish	US\$ Investors outperform hedged
Euro Dollar (FXE)	very bullish	US\$ investors outperform hedged (IEV=HEDJ)
Swiss Franc (FXF)	very bullish	US\$ investors outperform hedged
Japanese Yen FXY)	bearish	US\$ investors underperform hedged (EWJ<DXJ)
US Dollar (UUP)	very bearish	

US Bond Market: #9 LONG BOND Momentum Still Negative



US Long Treasury Bonds:
 EDV rose 1.1% this week, after losing 1.7% last week. That left it very bearish and ranked 9 globally, making it less attractive than cash. Long bonds are down 3.5% for the quarter and down 4.8% for the year as yields have risen. The US Treasury 10-year yield fell 7 ticks this week to 4.21 and the 3-month yield rose 1 tick to 3.59, with the yield curve flattening to 62 basis points. That reduces the odds of a recession later in the year. At \$65.56, EDV is below its short-term average but above its intermediate-term average. Momentum is negative and deteriorating, and its RSI of 50.7 means EDV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

Bond prices, after a long ride up have corrected about 12% since the October Fed rate cut, putting bond prices back where they

were when Trump took office. Lower bond prices usually reflect an improving economy, and truncated government data has been slow to lend definitive clarity. It is also difficult to gauge where we are headed when we don't know exactly where we've been for the previous two years and have been taught not to trust the data we're being given. December payrolls (50K) were anemic, but no longer negative, and the unemployment rate fell. January ADP payrolls this week were worse, only 22K with payroll numbers out next week. Meanwhile, Q4 "GDP Now" estimates remain above 4%. Q4 productivity has soared, sending unit labor costs lower.

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

(Charts reprinted with permission from stockcharts.com.)

US Equity Market: #6 US LARGE-CAPS Track 50-Day



US Large-Cap Stocks: SPY fell 0.2% this week, after gaining 0.4% last week. That left it very bullish and ranked 7 globally and more attractive than cash. The index is up 1.7% for the quarter and up 16.7% for the year. At \$690.62, SPY is above its short-term and intermediate-term averages. Its momentum is positive and deteriorating, and its RSI of 52.2 means SPY is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

SPY opened the week near its latest high but triggered a stop-loss Thursday. It was ignored as a false signal and rebounded on Friday. The trend in US equities is still up. Uncertainties remain, but the larger issues of taxation, fiscal spending, and the debt ceiling are settled, and the new tax regime will be kicking in soon. 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. Except bonds, most asset classes are very bullish.

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: #4 US SMALL-CAPS Hold Their 50-day



US Small-Cap Stocks: IWM rose 2.1% this week, after losing 1.9% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 8.3% for the quarter and up 18.3% for the year. At \$265.02, IWM is above its short-term and intermediate-term averages. Its momentum is positive and deteriorating, and its RSI of 57.1 means IWM is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bearish Dollar reduces return to Dollar investors in US assets.

January is considered the season for small caps, especially if interest rates are expected to fall. With rates falling this week, no surprise small caps attracted some interest. Small caps were among the strongest assets we track halfway through January, but White House tariff threats against political rather than economic ends didn't help. 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, Oil Equip & Serv, Biotech, Pharma,

The table below ranks 25 primary US sector ETFs in order of relative momentum this 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; breadth is broad but shrinking-- 78% of our sectors are buy or hold (L81%) with **BUYS** now 48% (L48%) and **HOLDS** now 30% (L33%). **AVOIDS** are currently 22% (L19%). Potential "Buys" include Gold Miners, Semiconductors, Biotech, Pharma, Oil Equipment & Services. "Avoide" include Software, Medical Devices, Insurance, Healthcare, Food & Beverage, and Internet.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Gold Miners (GDX)	81%	108%	very bullish	50.7	5.00	positive	deteriorating
57%	Semiconductors (SMH)	43%	108%	very bullish	55.7	2.91	positive	deteriorating
46%	US Oil Equip & Serv (IEZ)	51%	131%	very bullish	72.7	OB	6.02	positive
38%	Biotechnology (IBB)	34%	100%	very bullish	54.6	1.07	positive	deteriorating
33%	US Pharmaceuticals (IHE)	34%	114%	very bullish	65.2	1.86	positive	improving
30%	US Aerospace & Def (PPA)	24%	99%	very bullish	56.8	2.82	positive	deteriorating
20%	KB Banks (KBE)	20%	113%	very bullish	69.6	2.27	positive	improving
20%	US Technology (IYW)	12%	47%	neutral	43.3	-0.67	negative	deteriorating
18%	Telecommunications (FCOM)	15%	91%	very bullish	42.4	0.60	positive	deteriorating
17%	Bitcoin (BLOK)	0%	23%	bearish	37.8	-2.18	negative	deteriorating
17%	Transports (IYT)	18%	111%	very bullish	70.3	OB	1.93	positive
17%	Home Construction (XHB)	15%	98%	very bullish	65.6	1.81	positive	improving
15%	Industrials (XLI)	16%	111%	very bullish	72.5	OB	2.24	positive
15%	S&P 500 (SPY)	12%	95%	very bullish	52.2	0.40	positive	deteriorating
14%	Capital Markets (KCE)	6%	66%	bullish	42.6	0.36	positive	deteriorating
13%	Retail (XRT)	13%	86%	very bullish	56.2	0.82	positive	deteriorating
13%	Select Materials (XLB)	15%	114%	very bullish	67.5	3.26	positive	improving
12%	Media Portfolio (XLC)	10%	86%	very bullish	44.4	0.39	positive	deteriorating
8%	Oil/Gas Expl & Prod (XOP)	9%	97%	very bullish	69.3	2.74	positive	improving
6%	Utilities (XLU)	5%	53%	neutral	54.3	0.04	positive	improving
2%	Consumer Staples (XLP)	6%	111%	very bullish	82.2	OB	2.63	positive
0%	REITs (VNQ)	0%	76%	bullish	61.8	0.43	positive	improving
0%	CASH	-1%	61%	bullish	52.1	0.00	positive	deteriorating
-1%	DJ Internet Index (FDN)	-6%	11%	very bearish	29.9	-1.82	negative	deteriorating
-1%	Food & Beverage (PBJ)	3%	103%	very bullish	82.9	OB	2.41	positive
-2%	US Health Providers (IHF)	-7%	6%	very bearish	33.7	-1.71	negative	deteriorating
-3%	KBW Insurance (IAK)	0%	85%	very bullish	63.5	0.16	positive	improving
-4%	US Medical Devices (IHI)	-6%	15%	very bearish	31.5	-1.63	negative	deteriorating
-8%	Software (XSW)	-17%	6%	very bearish	28.6	OS	-4.62	negative

US Sector Top Performers: YTD (2/6/26)

YTD	Description	THISw	LASTwk	13wk	26wk	39wk	52wk	3Y
29.0%	US Oil Equip & Services (IEZ)	5.6%	-2.3%	30.8%	50.4%	65.7%	28.9%	36.5%
16.0%	Oil/Gas Explore & Produce (XOP)	4.4%	-3.7%	16.7%	15.9%	30.0%	9.6%	16.3%
13.9%	Home Construction (XHB)	8.2%	2.9%	11.6%	15.4%	21.2%	9.8%	23.6%
13.6%	Select Materials (XLB)	4.5%	1.4%	18.6%	18.6%	23.2%	18.0%	28.1%
13.5%	Gold Miners (GDX)	3.4%	12.0%	38.3%	90.9%	109.7%	141.0%	247.1%
13.2%	Consumer Staples (XLP)	5.3%	-0.7%	15.8%	11.9%	10.2%	14.2%	24.9%
12.1%	Food & Beverage (PBJ)	4.9%	-2.0%	14.5%	5.8%	7.1%	8.0%	13.2%
11.9%	US Aerospace & Defense (PPA)	0.4%	1.3%	10.5%	20.4%	40.9%	45.6%	92.1%
11.6%	Industrials (XLI)	4.7%	-0.7%	12.1%	14.8%	30.1%	28.1%	55.4%
11.5%	Semiconductors (SMH)	-0.4%	-0.8%	9.3%	39.6%	84.3%	63.2%	116.4%

INTERNATIONAL MARKETS: #1 GOLD Regains Its Footing



Gold Bullion: GLD rose 2.4% this week, after losing 2.8% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 23.5% for the quarter and up 72.6% for the year. At \$455.46, GLD is above its short-term and intermediate-term averages. Its momentum is positive and deteriorating, and its RSI of 55.9 means GLD is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

GLD plunged 16% top to bottom last week but ended less than 3% down on the week. This week it recovered over half that loss. Hard to bet against bullion when the current President of the US is the self-described poster-child for an "American Golden Age". Gold represents safety. Trump is a

disruptor, with new ways of doing things, (creating a need to hedge the uncertainty with gold). Cheaper US money is potentially coming, inflationary and good for gold. Another rate cut is expected in the summer. Meanwhile, we have a large persistent US deficit, and geopolitical tension in Iran, Venezuela, and the Black Sea. Traditional threats (global recession or a severe equity market panic) evidenced by equity margin calls are not in evidence.

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INTERNATIONAL MARKETS: COMMODITIES' Overbought Plunge Slows



Commodities: The CRB fell 1.7% this week after gaining 1.0% last week. That left commodity prices up 5.7% for the quarter and up 8.8% for the year. At \$24.01, the CRB is above its short-term and intermediate-term averages. Its momentum is positive and deteriorating, and its RSI of 53.5 means the CRB is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing trade competitiveness.

Crude Oil: USO fell 3.2% this week, following last week's gain of 7.5%. Crude remains very bullish. That leaves oil prices up 7.2% for the quarter and up 1.2% for the year. At \$76.99, USO is above its short-term and intermediate-term averages, and its RSI of 58.6 is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing trade competitiveness.

commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing 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 Trending Sideways



European Large-Cap Stocks: IEV rose 1.1% this week, after gaining 0.9% last week. It is currently very bullish, up 13% for the quarter and up 37% for the year. At \$72.52, UUP is above both its short and intermediate-term averages. Momentum in IEV is positive but deteriorating. RSI14 at 61 is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes European assets less attractive. Over time, a bullish Euro improves return to Dollar investors in European assets while reducing the region's trade competitiveness.

Europe looks poised for another leg up. Fed rate cuts have covered IEV's take-off for months and it is still going strong. Recent European Central Bank communication suggests Euro rates are likely to remain on hold, with any future moves dependent on inflation and growth data. There are no strong indications of imminent cuts, but there is a possible shift toward rate hikes by 2027 if conditions warrant. There is continued

emphasis on **meeting-by-meeting decision making**, inflation near 2%, and vigilance regarding **currency impacts**. Ongoing work on *digital euro development* and evolving monetary policy operations is underway. NOTE: A neutral to slightly bullish Euro vs. Dollar keeps IEV slightly underperforming the hedged version (HEDJ) of European equities.

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

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INTERNATIONAL EQUITIES: #4 JAPAN Jumps Higher



Japanese Stocks: EWJ rose 4.3% this week, after gaining 1.4% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is up 15.3% for the quarter and up 44.6% for the year. At \$89.40, EWJ is above its short-term and intermediate-term averages. Its momentum is positive and improving, and its RSI of 71.4 means EWJ is overbought. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's 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. Lately, however, the weak yen has fueled rumors and stoked worries about Fed and BoJ concern. The Fed carried out Dollar rate checks vs the Yen last

Friday suggesting some sort of US and Bank of Japan central bank intervention to arrest the slide in the Yen. Right now it's just rumors, but anytime the financial systems of the two largest free economies in the world require an intervention, things can go south, so pay attention. 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 ASIA-PACIFIC Steady Near High



Asia-Pacific ex-Japan: AAXJ rose 1.4% this week, after gaining 0.1% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 8.9% for the quarter (13 weeks) and up 44.2% for the year (52 weeks). At \$101.71, AAXJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 63.5 means AAXJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Asian assets less attractive. Over time, a bearish Dollar improves return to Dollar investors in Asian assets while reducing the region's 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 not by much. US tariffs are the reason foreign stocks have been outperforming. The tariff situation, however, is more of a

problem for Asian exporters (particularly China and India) than it is for other offshore exporters. Even so Asian equity markets (AAXJ +20) remain comparably attractive to US stocks (VTI +8). South Korea (EWY +71) is a standout. Hong Kong (EWH +15) and Taiwan (EWT +18) are doing well. Singapore (EWS +6) and China (FXI +3) lag the US. Australia (EWA 6) and India (PIN 7) 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 Cools From Overbought



Latin America 40: ILF rose 1.9% this week, after gaining 1.1% last week. That left it very bullish and ranked 2 globally and more attractive than cash. The index is up 27.5% for the quarter and up 67.3% for the year. At \$36.04, ILF is above its short-term and intermediate-term averages. Its momentum is positive and improving, and its RSI of 65.5 means ILF is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bearish Dollar improves return to Dollar investors in foreign equities, commodities and gold, while reducing the region's trade competitiveness.

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 +42) have outperformed their US cousins (VTI +8 since the tariff announcement 4/25). Chile (ECH +48), Colombia (COLO +40), Brazil (EWZ +39), and Mexico (EWW +31) are strongest, while Argentina (ARGT +16) continues to dig itself out of its most recent leftist hole. Canada (EWC +16) 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
86%	(AOA) Aggressive Growth	13%	102%	very bullish	59.7	0.85	positive	deteriorating
56%	(AOM) Moderate Growth & Inc	8%	100%	very bullish	60.7	0.58	positive	deteriorating
YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
3.3%	(AOA) Aggressive Growth	-0.2%	0.2%	4.0%	12.3%	21.3%	20.0%	39.3%
1.9%	(AOM) Moderate Growth & Inc	0.7%	0.2%	2.9%	8.8%	13.9%	14.1%	25.0%
PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.7%	(AOA) Aggressive Growth	90.08	92.53	92.81	92.81	68.45	90.33	84.28
99.9%	(AOM) Moderate Growth & Inc	47.78	48.63	48.69	48.69	41.20	47.85	45.54

Market Timing v. Diversified Buy & Hold: Performance

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	12.3%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	2.6%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	1.5%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
US Strategy Moose	0.8%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
S&P Benchmark	-0.8%	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. Equities are generally bullish but lagging gold, due to a weaker Dollar from US tariffs. Fed rate cut optimism in 2026 seems unlikely before June. In the US large cap segment High Dividend equities are outperforming YTD 2026.

THIS WEEK was the third **MIXED-risk week in a row**. **Foreign Stocks UP, US Stocks MIXED, US Bonds UP and Gold UP**. US Equity Strategy (USES) Model bought into US Growth (IUSG) 12/5/25 @169.25. No change since. IUSG triggered stop losses this week and last but rebounded quickly. SPY did as well. US stocks are not the best equity choice, but they still beat cash. Among US stock strategies, US Growth still leads in confidence index, 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%	US Growth	12%	70%	bullish	45	-0.12	negative	deteriorating
2	94%	US Large-caps	13%	95%	very bullish	52	0.40	positive	deteriorating
3	92%	US High Dividend	17%	112%	very bullish	75	2.57	positive	improving
4	89%	US Value	14%	107%	very bullish	67	1.13	positive	improving
5	81%	US Fundamentals	12%	96%	very bullish	55	0.61	positive	deteriorating
6	72%	S&P Equal Weight	11%	102%	very bullish	64	1.10	positive	deteriorating
7	61%	US Momentum	6%	71%	bullish	49	0.28	positive	deteriorating
8	14%	Cash	2%	70%	very bullish	44	0.04	positive	deteriorating
9	-2%	Short Income	-1%	46%	bullish	52	-0.01	negative	deteriorating
10	-4%	US Low Volatility	2%	97%	very bullish	73	1.00	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 into High Dividend/Value) in Q1

This week: US Growth is still the top momentum choice over 39-weeks, 52 weeks and 3 years, but high dividend has shown strength since year-end window-dressing as tech has fallen from favor. Offshore stocks still outperform US large caps. Among US large cap strategies, High Dividend/Value are best but currently overbought. US small caps are a place for Dollar investors to hide as long as interest rates remain low, but a reconstituted Fed with a new chairman in May is a wild card.

	YTD	Description	THIS	LAST	13wk	26wk	39wk	52wk	3Y
1	9%	US High Dividend	-0.2%	0.7%	17.4%	19.0%	21.5%	18.9%	41.6%
2	6%	S&P Equal Weight	0.6%	-0.3%	8.1%	11.4%	19.5%	13.8%	32.6%
3	5%	US Value	-2.0%	0.4%	7.6%	14.7%	22.2%	15.8%	32.6%
4	5%	US Low Volatility	-0.2%	1.3%	6.9%	3.7%	3.4%	5.0%	19.6%
5	3%	US Fundamentals	-0.9%	-0.1%	3.3%	11.6%	19.6%	12.1%	37.2%
6	1%	US Large-caps	1.6%	0.4%	1.1%	10.3%	23.4%	16.1%	45.4%
7	1%	US Momentum	2.3%	0.2%	-1.2%	5.9%	18.4%	14.7%	53.9%
8	0%	Cash	0.1%	0.1%	0.4%	1.5%	2.5%	3.6%	9.0%
9	0%	Short Income	2.1%	0.2%	-0.1%	1.4%	2.0%	3.5%	7.6%
10	-1%	US Growth	0.4%	0.2%	-3.2%	7.2%	25.1%	16.3%	55.3%

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 third **MIXED-risk week in a row. Foreign Stocks UP, US Stocks MIXED, US Bonds UP and Gold UP.** Index Moose HOLDS #1 Gold (GLD) via buy-stop since 8/28/25.

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. 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)	110%	very bullish	55.9	4.26	positive	deteriorating
2 61%	Emerging Markets (EEM)	109%	very bullish	63.5	2.44	positive	deteriorating
3 56%	US Small-caps (IWM)	95%	very bullish	57.1	1.39	positive	deteriorating
4 41%	Developed Markets (EFA)	109%	very bullish	64.8	2.04	positive	deteriorating
5 36%	US Large-caps (SPY)	95%	very bullish	52.2	0.40	positive	deteriorating
6 3%	Very Long US Bonds (EDV)	17%	bearish	50.7	-0.43	negative	deteriorating
7 1%	Short US Income (SGOV)	89%	very bullish	45.3	0.05	positive	deteriorating

YTD	FUND	THIS	LAST	13wk	26wk	39wk	52wk	3Y
1 14.9%	Gold Bullion (GLD)	2.4%	-2.8%	23.5%	47.3%	46.6%	72.6%	139.2%
2 9.8%	Emerging Markets (EEM)	1.6%	0.1%	9.4%	20.8%	36.9%	41.6%	58.1%
3 7.7%	US Small-caps (IWM)	2.1%	-1.9%	8.3%	15.4%	35.2%	18.3%	38.5%
4 6.9%	Developed Markets (EFA)	1.9%	0.8%	13.1%	15.6%	26.6%	35.5%	51.4%
5 1.3%	US Large-caps (SPY)	-0.2%	0.4%	1.7%	8.1%	24.7%	16.7%	45.4%
6 0.8%	Very Long US Bonds (EDV)	1.1%	-1.7%	-3.5%	0.3%	-0.8%	-4.8%	-17.3%
7 0.0%	Short US Income (SGOV)	-0.2%	0.1%	0.4%	0.2%	0.3%	0.3%	0.4%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	14.9%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	3.3%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	1.9%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%

INVESTMENT STRATEGIES: THE THRIFT SAVINGS PLAN TIMING MODEL

TSP Momentum & Performance

The Thrift Savings Plan, or TSP, is the government's 401K-style retirement plan. Beginning 12/21/2018, the revised TSP model began incorporating actual fund data and monitoring ten TSP funds instead of five index fund proxies alone. While having ten asset choices offers myriad possibilities, our primary concern involves the overall strategic decision: Should TSP investors use index targeting (market timing) to manage their portfolio or rely on a diversified buy-and-hold approach. **Answer:** it depends on the investor and on what's working.

The TSP Model: HOLD International Equities (Fund I)

THIS WEEK was the third MIXED-risk week in a row. Foreign Stocks UP, US Stocks MIXED, US Bonds UP and Gold UP.

TSP MOOSE HOLDS International Equities (I Fund) via CI since 1/21/26.

Fund I holds the TSP Model's top spot per confidence index, price momentum, technical strength and RSI. Fund I is neither overbought nor oversold.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	100%	International stocks (I)	17%	109%	very bullish	66.7	2.13	positive	deteriorating
2	83%	Lifetime 2060	12%	102%	very bullish	58.5	1.00	positive	deteriorating
3	81%	US Small-caps (S)	9%	86%	very bullish	53.8	0.53	positive	deteriorating
4	73%	US Large-caps (C)	10%	93%	very bullish	52.4	0.37	positive	deteriorating
5	69%	Lifetime 2050	10%	98%	very bullish	58.8	0.85	positive	deteriorating
6	61%	Lifetime 2040	9%	98%	very bullish	59.1	0.77	positive	deteriorating
7	50%	Lifetime 2030	7%	97%	very bullish	59.5	0.65	positive	deteriorating
8	25%	Long-term Inc (L)	4%	97%	very bullish	62.1	0.40	positive	deteriorating
9	11%	Fixed Income (F)	2%	83%	very bullish	59.9	0.10	positive	improving
10	3%	Short-term Inc (G)	1%	101%	very bullish	100.0	0.17	positive	deteriorating

Fund I leads over 13, 26, 39 /and 52 weeks, YTD, and over 3 years. Fund S is a close second in January. 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	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	International stocks (I)	1.4%	0.7%	11.4%	20.5%	28.8%	36.4%	7.5%	48.8%
2	US Small-caps (S)	1.9%	-2.5%	3.4%	11.2%	26.8%	11.0%	4.3%	37.9%
3	Lifetime 2060	0.7%	0.1%	6.0%	13.8%	26.3%	22.3%	3.8%	44.7%
4	Lifetime 2050	0.6%	0.1%	5.2%	11.8%	22.2%	19.4%	3.2%	38.2%
5	Lifetime 2040	0.5%	0.1%	4.7%	10.6%	19.7%	17.6%	2.9%	34.5%
6	Lifetime 2030	0.4%	0.1%	4.0%	9.0%	16.8%	15.3%	2.4%	30.0%
7	Long-term Inc (L)	0.3%	0.1%	2.5%	5.4%	9.3%	9.4%	1.4%	18.4%
8	US Large-caps (C)	-0.1%	0.3%	3.2%	10.2%	24.8%	16.5%	1.4%	43.6%
9	Fixed Income (F)	0.3%	0.0%	0.4%	2.9%	5.2%	6.8%	0.5%	10.1%
10	Short-term Inc (G)	0.1%	0.1%	1.2%	2.2%	3.3%	4.4%	0.4%	9.1%

***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	3.8%	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
TSP Moose	3.6%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2050	3.2%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	2.9%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	2.4%	15.6%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%

OBSERVATION: The most aggressive Lifetime Funds have been the best performers since Covid (2020) thanks to the trillions in Federal deficit spending under Trump and Biden. An added bonus: Lifetime funds are a lot less work than timing the markets. The drawback is that buying and holding a Lifetime fund can be a disaster in a cyclical bear market (2022). The risk-reward is better with timing. Fortunately (or unfortunately as one's politics may dictate) the likelihood of a cyclical bear market occurring diminishes as government becomes an ever-larger portion of the US economy and as Fed market manipulation becomes more prevalent. The likelihood of a permanent bear market, however, becomes greater and when that reckoning does eventually come, however, it will be far worse, shaking our national institutions as well as the economy.

Moospeak

Bitcoin Below!

The Greyscale Bitcoin Mini Trust (BTC) is 45% off its October 6th high. It was down 53% and overbought before it jumped 7% on Friday. So why is Bitcoin having so much trouble?

Risk Sentiment: Broadly speaking, there is a lot of risk-off sentiment in the US Tech Market these days. Artificial Intelligence has investors second-guessing job growth, power availability, productivity and its impact on inflation and interest rates. Bitcoin has declined alongside a sell-off in tech and risk assets, with investors rotating out of speculative positions. Lower risk sentiment generally hits crypto hard.

Institutional Selling: Large institutional holders, including spot Bitcoin ETF investors and companies heavily exposed to Bitcoin have sold into weakness, creating net outflows that press prices lower. Sustained institutional selling and significant large-holder selling (by "whales") and forced liquidations — including leveraged positions — have accelerated the drop, especially as key price levels broke.

Technical and Momentum Factors: Technical indicators (like downside breakouts and liquidation cascades in derivatives markets) can amplify moves, turning corrections into sharper declines when key supports fail. In addition broader economic signals — such as continued expectations of higher interest rates, strong U.S. dollar dynamics, and tighter financial conditions — make risk assets less attractive, further pressuring Bitcoin.

Weaker Investor Confidence: Major financial institutions and the US media are promoting a weaker confidence environment among investors as Bitcoin transitions from a speculative rally into a "reset" phase of price discovery. US economic data has been improving for months, but doubt remains whether this better news is valid or more propaganda. I tend to think the latest GDP expansion is valid, but that the Trump corporate tax cut is not only less direct than a personal tax cut but is tempered by tariffs which are a personal tax hike for Americans. Net-net we'll still see the benefits of lower taxes, but it may take a little longer.

Contrary Thinking: Long time readers know this site is fond of momentum investing, going with what's working, buying high and selling higher, and above all never trying to catch a falling knife. By the same token, Bitcoin is one of those investments that has all the qualities of a lottery ticket but something more. There's a sense that if you live long enough and remain up-to-date on your heart meds that you and/or your descendants can wait out the latest 50% crash in Bitcoin and treat it like a 50%-off sale. It always seems to come back and then some. Just sayin'... not advisin',

(AI was used to prepare this article.)