

# **MOOSECALLS**

Global Financial News & Analysis  
JUN.12.2026 through JUN.21.2026

<i>Global Executive Summary, Rankings, &amp; Re-cap</i>	2
<i>Markets Technical Summary, Global Economy</i>	3
<i>US Economy Fed &amp; Inflation</i>	4
<i>Federal Reserve</i>	5
<i>Weekly Technical Summary</i>	6
<i>US Dollar, Carry Trade</i>	7
<i>US Treasury Bonds</i>	8
<i>US Large-cap Stocks</i>	9
<i>US Small-cap Stocks</i>	10
<i>US Equity Sectors</i>	11
<i>International: Gold</i>	12
<i>International: Commodities, Oil</i>	13
<i>International: European Stocks</i>	14
<i>International: Japanese Stocks</i>	15
<i>International: Asia Pacific ex-Japan Stocks</i>	16
<i>International: Latin American Stocks</i>	17
<i>Timing v. Buy-and Hold:</i>	18
<i>Index Model Global Timing</i>	
<i>USES Model US Equity Strategy Timing</i>	
<i>Federal Thrift Savings Plan Timing Model</i>	20
<i>Moospeak Editorial</i>	21

## EXECUTIVE SUMMARY: JUN.12.2026

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

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

**THIS WEEK a 2<sup>nd</sup> Risk-OFF week after 2 Risk-ON:  
US Stocks UP, Foreign Stocks UP, Bonds UP and Gold DOWN.**

### TO THE MOON, ALICE!

Rumors of an imminent peace deal that would lift oil sanctions on Iran and reopen the Strait of Hormuz, dropped crude oil (-5.7%) below \$85 a barrel this week. Moreover, a sharp rebound in semiconductors (+8%), driven in part by excitement over the \$1.8 trillion SpaceX IPO, reversed the prior week's tech debacle. US small caps (+4.0%) led US large caps (+0.6%) higher, while equities in Latin America (+5.2%), Asia-Pacific (+5.1%), Europe (+3.2%), and Japan (+2.2%) also rallied hard. US long bond prices (+1.0%) rose as the US ten-year yield dropped 5 bps to 4.49% and the three-month yield held at 3.62%, flattening the yield curve to 87 basis points. The Dollar slipped -0.2%, but it wasn't enough to boost oil (-5.7%), commodities (-2.7%) or gold bullion (-2.4%) into the black. There were no changes to the models this week.

**GLOBAL OUTLOOK POSITIVE (3 of 4).** No change. War has the Baltic Dry Index, the 10-year US yield, and copper prices are all higher over the last 13 weeks. Only oil is down for the quarter.

**INFLATION:** Consumer and Producer inflation data warming as expected given oil constraints, but core better. Oil prices down this week and quarter, and below \$85/bbl. Global inflation per Fed Check warrants tightening.

**US ECONOMIC DATA:** **JOBLESS CLAIMS UP, EXISTING HOME SALES UP, CONSUMER SENTIMENT STILL WEAK** Recession chance a year out minimal. Financial system health per SOFR-T spread: sound. GDP Now estimate (Q2) UP as of 6/12: 3.3%.

**FEDERAL RESERVE:** The Fed's balance sheet stands at \$6.73 trillion, with the Fed Funds Rate at 3.50-3.75%. Next Fed meeting is this week (6/17). Fed Chairman Kevin Warsh replaced Jerome Powell May 22. Iran war has spiked inflation fears. Fed Check (79) remains hawkish as of 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.) A June rate cut is highly unlikely (3%), while odds of a December Fed rate HIKE (60%) are now better than 50-50.

**INVESTMENT STRATEGIES:** No change. The TSP model holds International equities (I Fund). The GLOBAL Index model holds Emerging Markets (EEM). USES model holds Momentum since 5/22/26.

## GLOBAL OUTLOOK: POSITIVE (3 of 4)

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

An international shipping measure and proxy for current global trade, the Baltic Dry Index is at 2729 this week, down from last week but up after 13 weeks, a positive signal. (After opening 2026 at 1882, BDI is still well below its 2010 peak @4640.)

Meanwhile, another proxy for world activity, WTI oil price is down to \$84.88 this week, and down in the latest quarter, a negative economic signal. (Oil remains below its 2022 peak (\$130), but well above the 2020 Covid low (\$10).)

Our proxy for global construction, copper is 6.51, up this week, and up this quarter, a positive signal.

Domestically, the 10Y US bond yield is down to 4.49 this week, but up over the past 13 weeks, a positive bet on the largest world economy.

## GLOBAL RANKING: Asia-Pacific Top Region

Index Moose  
ETF Rankings  
through  
JUN.21.2026

**THIS WEEK a 2<sup>nd</sup> Risk-OFF week after 2 Risk-ON:  
US Stocks UP, Foreign Stocks UP, Bonds UP and Gold DOWN.**

**Asia-Pacific ex-Japan leads in regional global momentum since 6/3/2026 after ILF's stop loss, and after posting a 5%+ gain this week (6/12).**

**AAXJ leads in overall confidence, technical strength and PMO. Though AAXJ is the #1 regional choice, it is very volatile. The best alternative at the moment remains emerging markets (EEM), though both Asia Pacific ex-Japan and Latin America gained 5%+ this week.**

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

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	Asia Pacific ex-Japan (AAXJ)	100%	very bullish	54.8	2.52	positive	deteriorating
2	95%	Latin America (ILF)	38%	bearish	51.3	-1.50	negative	deteriorating
3	73%	Japan (EWJ)	81%	very bullish	54.8	1.12	positive	deteriorating
4	55%	US Small-caps (IWM)	97%	very bullish	59.8	1.85	positive	deteriorating
5	37%	US Large-caps (SPY)	85%	very bullish	53.0	1.41	positive	deteriorating
6	37%	Europe (IEV)	77%	bullish	57.9	0.76	positive	deteriorating
7	19%	Gold Bullion (GLD)	14%	very bearish	35.1	-2.59	negative	deteriorating
8	9%	Short US Income (SGOV)	88%	very bullish	100.0	0.14	positive	deteriorating
9	-34%	Very Long US Bonds (EDV)	24%	bearish	56.3	0.02	positive	improving
		US Dollar	102%	very bullish	61.3		positive	improving
		Commodities	77%	bullish	35.6		negative	deteriorating
		US Oil	89%	very bullish	40.2		positive	deteriorating
		Ryan/CRB	80%	HIKE RATES				
		Volatility	17.7	reduced fear				

**AAXJ is the best performing region YTD, and over 13, 26, 39 and 52 weeks. It took a major hit last week (6/5) but recovered. ILF continued to fade. In spite of the volatility however, emerging market equities continue to outperform those of developed markets.**

YTD	FUND	06/12/26	06/05/26	13wk	26wk	39wk	52wk	3Y
26.5%	Asia Pacific ex-Japan (AAXJ)	5.1%	-5.9%	17.1%	30.9%	33.7%	51.1%	73.8%
19.0%	US Small-caps (IWM)	4.0%	-3.0%	16.1%	17.4%	22.6%	41.8%	47.1%
14.8%	Japan (EWJ)	2.2%	-2.4%	8.1%	14.7%	23.3%	38.6%	51.9%
14.4%	Latin America (ILF)	5.2%	-5.2%	-0.2%	15.9%	30.6%	45.2%	51.5%
8.8%	US Large-caps (SPY)	0.6%	-2.5%	10.0%	9.9%	13.7%	25.7%	42.1%
7.7%	Europe (IEV)	3.2%	-2.1%	6.7%	9.3%	16.3%	21.4%	36.2%
0.1%	Short US Income (SGOV)	0.1%	0.1%	0.9%	1.8%	2.8%	3.9%	9.0%
-1.2%	Very Long US Bonds (EDV)	1.0%	-0.1%	-0.5%	-0.8%	-4.2%	3.4%	-6.1%
-2.5%	Gold Bullion (GLD)	-2.4%	-5.0%	-18.8%	-2.4%	15.5%	22.2%	76.2%

## GLOBAL RANKING: TECHNICAL OVERVIEW

### #1 ASIA-PACIFIC Stifles Global Tech Rout--

AAXJ rose 5.1% this week, after losing 5.9% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 17.1% for the quarter (13 weeks), and up 51.1% for the year (52 weeks).

### #2 LATIN AMERICA Gets Oversold Bounce--

ILF rose 5.2% this week, after losing 5.2% last week. That left it bearish and ranked 2 globally and more attractive than cash. The index is down 0.2% for the quarter (13 weeks), but up 45.2% for the year (52 weeks).

### #3 JAPAN Still Shy of High--

EWJ rose 2.2% this week, after losing 2.4% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 8.1% for the quarter (13 weeks), and up 38.6% for the year (52 weeks).

### #4 US SMALL-CAPS Recover With Tech--

IWM rose 4.0% this week, after losing 3.0% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is up 16.1% for the quarter (13 weeks), and up 41.8% for the year (52 weeks).

### #5 US LARGE-CAPS Steady After Tech Swoon--

SPY rose 0.6% this week, after losing 2.5% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 10.0% for the quarter (13 weeks), and up 25.7% for the year (52 weeks).

### #6 EUROPE Steady Above 50-day--

IEV rose 3.2% this week, after losing 2.1% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is up 6.7% for the quarter (13 weeks), and up 21.4% for the year (52 weeks).

### #7 GOLD Breakdown Gets Oversold Bump--

GLD fell 2.4% this week, after losing 5.0% last week. That left it very bearish and ranked 7 globally and more attractive than cash. The index is down 18.8% for the quarter (13 weeks), but up 22.2% for the year (52 weeks).

### #8 US Cash Yield Steady--

The three-month T-Bill yield is 3.618%, up from 3.588 last week. The cash yield is close to the Fed overnight rate (3.625%) three days ahead of the next FOMC meeting at which no changes in rate policy are expected. Meanwhile, the two-year Treasury is yielding 4.09%, a 47 basis-point premium to cash

### #9 LONG US TREASURIES Hold 50-day--

EDV rose 1.0% this week, after losing 0.1% last week. That left it bearish and ranked 9 globally and less attractive than cash. Long bonds are down 0.5% for the quarter (13 weeks) but up 3.4% for the year (52 weeks) as yields have risen.

### COMMODITIES Break Lower Short-Term--

A bullish CRB fell 2.3% this week after losing 0.8% last week. That left commodity prices up 3.8% for the quarter (13 weeks), and up 29.9% for the year (52 weeks).

### Crude Oil Below \$85--

The broader oil complex (USO) fell 5.7% this week, following last week's gain of 3.0% and currently very bullish. That leaves US oil prices up 15.3% for the quarter (13 weeks), and up 67.6% for the year (52 weeks).

### US DOLLAR Rebound Persists--

UUP fell 0.2% this week, after gaining 1.3% last week. It is currently very bullish—up 3.1% for the quarter (13 weeks), and up 2.4% in the last year (52 weeks). At \$27.95, UUP is above its short-term 50-day average and above its intermediate-term 200-day average.

## US ECONOMY: THIS WEEK'S DATA

JUN.12.2026: JOBLESS CLAIMS UP, EXISTING HOME SALES UP,  
CONSUMER SENTIMENT STILL WEAK

## US ECONOMY: PRODUCTION DATA

**WEEKLY EIA Crude Oil Inventories (-7.23M) draw lessens as oil prices fall.**

APR Industrial Production (+0.7%) beat prior and targets.  
APR Capacity Utilization (76.1) expanding better than anticipated.  
MAY S&P Global U.S. Manufacturing PMI – (55.1) down from previous.  
MAY S&P Global U.S. Services PMI – (50.7) down 2 ticks from prior.  
APR ISM Manufacturing Index (54.0) beat prior and consensus.  
APR ISM Services Index (54.5) beat prior and consensus.

## US ECONOMY: CONSTRUCTION DATA

APR Housing Starts (1465K) below previous but beat expectations  
APR Building Permits (1442K) above consensus and prior.  
**MAY Existing Home Sales (4.17M) beat previous and consensus.**  
APR New Home Sales (622K) down from prior.  
APR Construction Spending (+0.4%) beat prior and consensus.

## US ECONOMY: INFLATION DATA

**MAY CPI (+0.5%) in line less hot than previous. (+4.2% y-o-y)**  
**MAY Core CPI (+0.2%) cooler than previous (+2.9% y-o-y)**  
**MAY PPI:(+1.1%) hot as prior and above consensus. (+6.5% y-o-y)**  
**MAY Core PPI (+0.4%) hotter than prior and consensus. (+4.9% y-o-y)**  
APR Import Prices (+1.9%) hotter than previous. (+4.2% y-o-y)  
APR Export Prices (+3.3%) hotter than previous. (+8.8% y-o-y)  
APR PCE Prices (+0.4%) cooler than previous and expected. (1yr 3.5% up.)  
APR PCE Prices – Core (+0.2%) cooler than previous and consensus. (1yr 3.2% up.)

## US ECONOMY: JOBS DATA

**Weekly initial Claims (229K) above prior and forecasts.**  
**Weekly Continuing Claims (1795K) slightly higher.**  
MAY ADP Private Payrolls (122K) up from previous more than expected.  
MAY Nonfarm Payrolls (172K) current better than expected, prior revised much higher.  
MAY Unemployment rate (+4.3%) low, unchanged.  
MAY Average Hourly Earnings (+0.3%) in line.  
MAY Average workweek (34.3) unchanged.  
APR JOLTS Job openings (7.618) up from prior.  
JOLTS Separations

## US ECONOMY: CONSUMPTION DATA

APR Retail Sales (+0.5%) in line, below previous.  
MAY Consumer Confidence (93.1) less than prior, but better than expected.  
APR Durable Orders (+7.9%) way above previous and expectations.  
APR Personal Income flat (0.0%), less than previous and expected.  
APR Personal Spending (+0.5%) less than prior but better than expected.  
**MAY Michigan Consumer Sentiment (48.9) still fading but up more than anticipated.**  
**MAY NFIB Small Business Optimism (95.3) strong but below prior (95.6).**  
**APR Trade Deficit (-55.9B) less than previous.**

## US ECONOMY: GDP & RECESSION INDICATORS

Q1 GDP - Second Estimate (+1.6%) down from previous and consensus.  
Q1 GDP Deflator - Second Estimate (+3.5%) cooler than previous but still hot.  
Q1 Employment Cost Index (0.9%) hotter than expected and previous.  
Q1 Productivity – (+0.3%) revised weaker than prior and consensus  
Q1 Unit Labor Costs – Warm but revised cooler (+1.8%) than previous and consensus.  
Q4 Current Account Balance (-\$190.7B) deficit an improvement over previous quarter and forecasts.

## RECESSION THREAT: MINIMAL, FALLING

**US recession chances one year out: 14.98% (MAY 2027) 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 has been going lower since. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics.

## ATLANTA FED: US Q2 GDP NOW at 3.3%

**Atlanta Fed Current GDP Model (6/9/2026): Q2 Annualized 3.3% (Last week: Q2 Annualized +3.0%)**

## US ECONOMY: FEDERAL RESERVE

### FED BALANCE SHEET (\$6.73T); FFR @ (3.50-3.75%)

Federal Reserve:  
week of  
JUN.12.2026

Currently, the Fed's balance sheet is 6.73T, (up +.02T) in the latest week (6/3/2026). The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change at the January, March or April FOMC meeting.

The next FOMC meeting is next Wednesday, June 17. Trump replaced Jerome Powell with Kevin Warsh in the chair on May 22. The President hopes Warsh will be inclined to err on the side of economic growth, but futures consider that unlikely due to supply-side inflation pressures brought on by the war with Iran. A June rate cut is highly unlikely (3%), while odds of a December Fed rate HIKE (60%) are now greater than 50-50.

The Fed Check at 79% turned hawkish as of 1/30/2026 (tighter monetary policy needed to combat global inflation pressures.) The US 2-Year yield at 4.09%, however, is now 47 bps HIGHER (and rising) than the Fed overnight rate (3.625%), implying near-term US domestic conditions make a Fed rate hike increasingly likely.

The 3m-10y yield curve **flattened to a slope of 87 bps** this week, as the 10-year US Treasury yield fell to 4.49%, and the 3-month cash yield held at 3.62%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The 30d-10y median yield (4.05%) is just above its 200-day (3.94%). A rising median yield and a steepening yield curve are both bullish for stocks.

**3-month SOFR yield** at 3.60% is steady this week, while the 3-month T-bill at 3.62% is steady. That puts the SOFR/T-Bill (SOF-T) spread at -2 basis points, below its 200-day average of 17 bps. **A falling SOF-T spread signals a safer, more confident financial system.**

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

**Latest FOMC Assessment (2026.4.29)** Recent indicators suggest that economic activity has been expanding at a solid pace. Job gains have remained low, on average, and the unemployment rate has been little changed in recent months. Inflation is elevated, in part reflecting the recent increase in global energy prices. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Developments in the Middle East are contributing to a high level of uncertainty about the economic outlook. 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. **(Next FOMC meeting: 2026.6.17)**

# US Currency Market: US DOLLAR Rebound Persists



**US Dollar:** UUP fell 0.2% this week, after gaining 1.3% last week. It is currently very bullish—up 3.1% for the quarter (13 weeks), and up 2.4% in the last year (52 weeks). At \$27.95, UUP is above its short-term 50-day average and above its intermediate-term 200-day average. Momentum in the greenback is positive but improving. RSI14 @ 61.3 is neither overbought nor oversold. As for other major currencies vs the Dollar, the Australian \$ (FXA) is neutral, and down 2.1% this week. The British Pound (FXB) is bearish, and down 1.1%. The Canadian Dollar (FXC) is very bearish, and down 1.1%. The Euro Dollar (FXE) is very bearish, and down 1.3%. The Swiss Franc (FXF) is very bearish, and down 1.9%, and the Japanese Yen (FXY) is very bearish and down 0.5%.

The Dollar rally slowed this week, after bettering its 52-week high (UUP @28) intraday. It has essentially followed oil prices and interest rates higher. With oil and rates down this week, the Dollar

rebound stalled out. (Rising oil prices correspond to inflation and the expectation of rising interest rates. Rising US interest rates in turn make US bonds more attractive and stoke the demand for Dollars.) Along with war, which traditionally makes the Dollar a safe haven, US tariffs remain a positive for the greenback despite the last Supreme Court ruling. As the straits of Hormuz reopen oil prices will revert to more normal and lower levels, and the demand for Dollars will fall.

(Charts reprinted with permission from stockcharts.com.)

## Carry-trade This Week

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

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

## #9 LONG US TREASURIES Hold 50-day



**US Long Treasury Bonds:** EDV rose 1.0% this week, after losing 0.1% last week. That left it bearish and ranked #9 globally and less attractive than cash. Long bonds are down 0.5% for the quarter (13 weeks) but up 3.4% for the year (52 weeks) as the US ten-year yield dropped 5 bps to 4.49% and the three-month yield held at 3.62%, flattening the yield curve to 87 basis points. The yield curve reduces the odds of a recession in 2027. At \$64.25, EDV is above its short-term 50-day average and below its intermediate-term 200-day average. Momentum (PMO) is positive and improving, and its 14-day RSI of 56.3 means EDV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Bond prices continue their four-week fight higher after breaking down in a death-cross and posting a nine-month low in mid-May. EDV's 50-day, however,

still remains below its 200-day in a deteriorating "death-cross" limiting chances of a Fed rate cut in 2026 and increasing the chances of a rate hike.

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

(Charts reprinted with permission from stockcharts.com.)

# US Equity Market: #5 US LARGE-CAPS Steady After Tech Swoon



**US Large-Cap Stocks:** SPY rose 0.6% this week, after losing 2.5% last week. That left it very bullish and ranked 5 globally and more attractive than cash. The index is up 10.0% for the quarter (13 weeks), and up 25.7% for the year (52 weeks). At \$741.75, SPY is above its short-term 50-day average and above its intermediate-term 200-day average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 53.0 means SPY is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Rumors of an agreement with Iran caused oil prices to sink lower this week, lowering interest rates and stimulating equities. The first trillion-dollar-plus IPO added to the excitement. SPY remains very bullish and its PMO is positive but deteriorating. Solid earnings and GDP growth have added to the optimism. In the US, uncertainty over the impact

of AI on job growth, and uncertainty over the future (revised) US tariff regime remains. The larger issues of taxation, fiscal spending, and the debt ceiling, however, are settled, and the new tax regime is kicking in now. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish for stocks.

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

(Charts reprinted with permission from stockcharts.com.)

# US Equity Market: #4 US SMALL-CAPS Recover With Tech



**US Small-Cap Stocks: IWM** rose 4.0% this week, after losing 3.0% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is up 16.1% for the quarter (13 weeks), and up 41.8% for the year (52 weeks). At \$292.95, IWM is above its short-term 50-day average and above its intermediate-term 200-day average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 59.8 means IWM is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes Dollar-denominated assets less attractive. Over time, a bullish Dollar improves return to Dollar investors in US assets.

Rumors of an agreement with Iran caused oil prices to sink lower this week, lowering interest rates and stimulating equities. The first trillion-dollar-plus IPO added to the excitement. IWM remains very bullish and its PMO positive but deteriorating. Solid earnings and GDP growth have added to the optimism. In the US, uncertainty over the impact

of AI on job growth, and uncertainty over the future (revised) US tariff regime remains. The larger issues of taxation, fiscal spending, and the debt ceiling, however, are settled, and the new tax regime is kicking in now. The Federal deficit remains outsized, although tariffs are reducing it slightly. All of that is bullish for stocks.

**ETF Breakdown: 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%).

(Charts reprinted with permission from stockcharts.com.)

## US Equity Market Top Sectors: Semiconductors, Energy, Technology Hit, But Still on Top

The table below ranks 27 primary US sector ETFs in order of relative momentum this week. Sectors ranked higher than cash are bullish (**buy or hold**), and those ranked below cash are bearish (**sell or avoid**). **This week's US equity sector momentum is up; positive; broad-- 74% of our sectors are buy or hold (L70%) with BUYS at 30% (L33%) down and HOLDS up at 48% (L41%). Avoids are down to 22% (L26%).** Top performers in the past two weeks: Health, Energy Exploration, Pharma.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	64%	122%	very bullish	60.5	6.97	positive	deteriorating
85%	US Oil Equip & Serv (IEZ)	47%	88%	very bullish	48.8	0.58	positive	deteriorating
42%	Oil/Gas Expl & Prod (XOP)	28%	65%	bullish	46.0	-0.31	negative	deteriorating
31%	US Technology (IYW)	15%	103%	very bullish	54.7	4.12	positive	deteriorating
30%	US Pharmaceuticals (IHE)	24%	108%	very bullish	65.2	1.88	positive	improving
22%	Transports (IYT)	18%	109%	very bullish	63.4	2.18	positive	improving
18%	Select Materials (XLB)	12%	66%	bullish	57.3	0.07	positive	improving
15%	Industrials (XLI)	10%	84%	very bullish	55.9	0.64	positive	improving
14%	<b>S&amp;P 500 (SPY)</b>	<b>6%</b>	<b>85%</b>	<b>very bullish</b>	<b>52.9</b>	<b>1.40</b>	<b>positive</b>	<b>deteriorating</b>
13%	KB Banks (KBE)	13%	98%	very bullish	67.4	1.17	positive	improving
11%	Gold Miners (GDX)	7%	11%	very bearish	42.5	-3.80	negative	deteriorating
11%	US Aerospace & Def (PPA)	6%	58%	neutral	54.1	0.52	positive	improving
11%	Biotechnology (IBB)	6%	52%	neutral	52.6	-0.05	negative	improving
7%	Consumer Staples (XLP)	6%	73%	bullish	61.0	0.30	positive	improving
5%	REITs (VNQ)	4%	101%	very bullish	62.3	0.86	positive	improving
5%	Food & Beverage (PBJ)	5%	43%	neutral	53.4	-0.64	negative	improving
3%	Telecommunications (FCOM)	-3%	37%	bearish	37.7	-0.66	negative	deteriorating
-1%	Capital Markets (KCE)	0%	69%	bullish	58.3	0.72	positive	deteriorating
-1%	KBW Insurance (IAK)	3%	59%	neutral	61.1	0.37	positive	improving
-2%	US Health Providers (IHF)	2%	115%	very bullish	72.4	3.20	positive	improving
-3%	Retail (XRT)	-1%	55%	neutral	66.2	0.81	positive	improving
-4%	Media Portfolio (XLC)	-6%	20%	bearish	38.2	-0.89	negative	deteriorating
<b>-4%</b>	<b>CASH</b>	<b>-3%</b>	<b>9%</b>	<b>very bearish</b>	<b>47.4</b>	<b>-0.14</b>	<b>negative</b>	<b>deteriorating</b>
-6%	DJ Internet Index (FDN)	-8%	62%	bullish	42.7	1.35	positive	deteriorating
-6%	Utilities (XLU)	-4%	23%	bearish	49.9	-0.94	negative	improving
-9%	Home Construction (XHB)	-4%	34%	bearish	59.6	0.79	positive	improving
-16%	Bitcoin (BLOK)	-14%	65%	bullish	51.9	2.46	positive	deteriorating
-23%	Software (XSW)	-19%	49%	neutral	50.8	2.85	positive	deteriorating
-27%	US Medical Devices (IHI)	-21%	8%	very bearish	47.4	-1.29	negative	improving

## US Sector Top Performers: YTD (6/12/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
72.1%	Semiconductors (SMH)	<b>8.8%</b>	-4.9%	3.9%	<b>62.9%</b>	<b>70.7%</b>	<b>109.9%</b>	<b>137.7%</b>	<b>147.8%</b>
46.7%	US Oil Equip & Serv (IEZ)	3.0%	-1.1%	1.9%	12.9%	40.9%	63.2%	73.0%	49.6%
31.0%	Oil/Gas Expl & Prod (XOP)	-0.4%	1.2%	0.8%	0.7%	22.0%	30.3%	31.2%	17.8%
22.6%	US Technology (IYW)	1.5%	-4.6%	-3.1%	30.0%	21.8%	33.0%	49.0%	71.5%
16.1%	Transports (IYT)	2.2%	1.0%	3.2%	13.2%	15.2%	22.8%	30.6%	36.5%
15.1%	Select Materials (XLB)	3.1%	-1.0%	2.0%	4.7%	17.9%	14.5%	20.3%	19.1%
13.6%	Industrials (XLI)	1.1%	0.6%	1.8%	3.7%	14.6%	17.4%	23.5%	48.0%
12.6%	Bitcoin (BLOK)	4.9%	-10.1%	-5.3%	22.9%	3.2%	7.2%	21.7%	90.2%
11.7%	US Pharmaceuticals (IHE)	2.2%	1.1%	3.3%	8.1%	13.9%	34.2%	43.0%	47.8%
11.6%	US Health Providers (IHF)	3.0%	<b>3.3%</b>	<b>6.3%</b>	19.4%	10.4%	13.1%	12.9%	2.7%

## INTERNATIONAL MARKETS: #7 GOLD Breakdown Gets Oversold Bump



**Gold Bullion:** GLD fell 2.4% this week, after losing 5.0% last week. That left it very bearish and ranked 7 globally and more attractive than cash. The index is down 18.8% for the quarter (13 weeks), but up 22.2% for the year (52 weeks). At \$386.54, GLD is below its short-term 50-day average and below its intermediate-term 200-day average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 35.1 means GLD is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Gold broke below its 200-day last week and continued lower this week before getting an oversold bump. Falling oil prices were enough to lower interest rates and give gold some hope late in the week. (Rate policy is key to

gold's prospects and they are fading now that the chances of a Fed rate hike later in 2026 are better than 50-50.) A large persistent US deficit, along with geopolitical uncertainty (Venezuela, Iran, Ukraine) continue to influence demand for gold but US interest rates and the Dollar are the key drivers. Traditional threats (global recession or a severe equity market panic) evidenced by equity margin calls are not in evidence.

(Charts reprinted with permission from stockcharts.com.)

## INTERNATIONAL MARKETS: COMMODITIES Break Lower Short-Term



**Commodities:** A bullish CRB fell 2.3% this week after losing 0.8% last week. That left commodity prices up 3.8% for the quarter (13 weeks), and up 29.9% for the year (52 weeks). At \$28.55, the CRB is below its short-term 50-day average and above its intermediate-term 200-day average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 35.6 means the CRB is neither overbought nor oversold.

**Crude Oil:** Meanwhile, the broader oil complex (USO) fell 5.7% this week, following last week's gain of 3.0% and currently very bullish. That leaves US oil prices up 15.3% for the quarter (13 weeks), and up 67.6% for the year (52 weeks). At \$125.43, USO is below its short-term 50-day average and above its intermediate-term 200-day average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 40.2 means USO is neither overbought nor oversold. A cheaper Dollar this week makes foreign assets,

commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Rumors of an agreement with Iran caused oil prices to sink lower this week, causing commodities to dip. WTI oil prices fell below \$85 this week as tanker traffic, though still severely restricted has reportedly been improving with US military assistance at night. 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, the prospect for continued violence in Iran and Ukraine will keep prices firm. Meanwhile, the commodity and bond markets are still telling us that inflation should be more of a concern than joblessness.

(Charts reprinted with permission from stockcharts.com.)

## INTERNATIONAL EQUITIES: #6 EUROPE Steady Above 50-day



**European Large-Cap Stocks:** IEV rose 3.2% this week, after losing 2.1% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is up 6.7% for the quarter (13 weeks), and up 21.4% for the year (52 weeks). At \$73.86, IEV is above its short-term 50-day average and above its intermediate-term 200-day average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 57.9 means IEV is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Technology has driven the global equity rally this year, and Europe has accordingly lagged. This week technology recovered and so did Europe. IEV remains bullish even as rising energy costs continue to delay ECB rate

cut plans. That leaves Europe potentially exposed to an energy-driven stagflation shock. NOTE: A bearish Euro vs. Dollar keeps Europe (IEV +7) in line with both the hedged version (HEDJ +7) of European equities and the US (VTI +6). Across the pond, Netherlands (EWN +19) is alone in outperforming the US. Italy (EWI +12), Spain (EWP +9), Britain (EWU +8), Ireland (EIRL +5), Switzerland (EWL +5), and France (EWQ +2) are laggards, while Germany (EWG -2), and Denmark (EDEN -5) are struggling.

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

(Charts reprinted with permission from stockcharts.com.)

## INTERNATIONAL EQUITIES: #3 JAPAN Still Shy of High



**Japanese Stocks:** EWJ rose 2.2% this week, after losing 2.4% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 8.1% for the quarter (13 weeks), and up 38.6% for the year (52 weeks). At \$92.71, EWJ is above its short-term 50-day average and above its intermediate-term 200-day average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 54.8 means EWJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Rumors of an agreement with Iran on Hormuz caused oil prices to sink lower this week, lowering interest rates and stimulating Japanese equities. In addition, a broad recovery in Taiwanese and South Korean tech and

semi-conductors after last week's swoon drove Japanese large caps higher. NOTE: For Dollar investors, Japan's return to its traditional weak yen policy makes the hedged version (DXJ @18) of Japanese equities preferable to the dollar version we track (EWJ @12). Both are outperforming the US (VTI@7).

**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%).

(Charts reprinted with permission from stockcharts.com.)

## INTERNATIONAL EQUITIES: #1 ASIA-PACIFIC Stifles Global Tech Rout



**Asia-Pacific ex-Japan: AAXJ** rose 5.1% this week, after losing 5.9% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is up 17.1% for the quarter (13 weeks), and up 51.1% for the year (52 weeks). At \$117.76, AAXJ is above its short-term 50-day average and above its intermediate-term 200-day average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 54.8 means AAXJ is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Rumors of an imminent peace deal that would lift oil sanctions on Iran and reopen the Strait of Hormuz, dropped crude oil this week. Also, a sharp rebound in semiconductors (+8%), driven in part by excitement over the \$1.8

trillion SpaceX IPO, helped AAXJ, especially Taiwanese and South Korean tech and semi-conductors. AAXJ (and ILF) are still the top 2 regional index choices based on six-month performance, but as noted previously, both are very volatile and we don't follow them formally. Emerging markets (EEM) are the better choice. As a result, Asian equity markets (AAXJ +26) are still substantially more attractive than US stocks (VTI +7). South Korea (EWY +109) is a standout along with Taiwan (EWT +55). Australia (EWA +10) are doing passably. Singapore (EWS +6), Hong Kong (EWH +2), India (IMVP -10), and China (FXI -11), lag the US and are struggling due to energy and US tariff issues.

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

(Charts reprinted with permission from stockcharts.com.)

## INTERNATIONAL EQUITIES: #2 LATIN AMERICA Gets Oversold Bounce



**Latin America 40:** ILF rose 5.2% this week, after losing 5.2% last week. That left it bearish and ranked 2 globally and more attractive than cash. The index is down 0.2% for the quarter (13 weeks), but up 45.2% for the year (52 weeks). At \$34.85, ILF is below its short-term 50-day average and above its intermediate-term 200-day average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 51.3 means ILF is neither overbought nor oversold. As for currency effects, a cheaper Dollar this week makes foreign assets, commodities and gold more attractive. Over time, a bullish Dollar limits return to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Latin equities (ILF) got an oversold bounce this week, eight weeks after peaking in April and four weeks after breaking below short-term support and triggering its first stop loss. AAXJ (and ILF) are still the top 2 regional index

choices based on six-month performance, but as noted previously, both are very volatile and we don't follow them formally. Emerging markets (EEM) are the better choice. Even so, Latin equities (ILF +12) are outperforming their US cousins (VTI +7) in Price-Performance vs cash. Colombia (COLO +21) is doing well. Mexico (EWW +11) and Brazil (EWZ +8) are beating the US. Argentina (ARGT +6) and Chile (ECH +4) are lagging. Canada (EWC +8) which is not in ILF, but a key player in the Americas also continues to beat the US thanks to 35% US tariffs on the 60% of its exports not covered by USMCA.

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

(Charts reprinted with permission from stockcharts.com.)

## INVESTMENT STRATEGIES: PASSIVE DIVERSIFIED: BUY-AND-HOLD

This site compares passive and active investment strategies. The passive strategy is represented by two diversified ETFs, moderate growth (AOM) and aggressive growth (AOA). AOM is comprised of 60% income instruments and 40% equity assets. AOA is 80% equity and 20% income. AOA (mostly stocks) outperforms in bull market scenarios and AOM (mostly bonds) works better when equities are weak.

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

**2026 has been difficult. US stocks have lagged globally and bonds have been lackluster. Buy & Hold strategies have positive but still relatively modest returns year-to-date.** Bond returns out-paced equity returns early on making moderate growth and income (bond-heavy) portfolios the more profitable buy-and-hold choice, but that changed from April on as Aggressive Growth (equity-heavy) became more profitable.

**THIS WEEK a 2<sup>nd</sup> Risk-OFF week after 2 Risk-ON:  
US Stocks UP, Foreign Stocks UP, Bonds UP and Gold DOWN.**

Technical readings are very bullish among both moderate (40-60) portfolios (AOM) and (80-20) aggressive portfolios (AOA). The differences are still minor and could reverse quickly, as new exogenous variables come into play. Cash is a good option.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
<b>42%</b>	<b>(AOA) Aggressive Growth</b>	<b>6%</b>	<b>83%</b>	<b>very bullish</b>	54.8	<b>1.03</b>	<b>positive</b>	deteriorating
17%	(AOM) Moderate Growth & Inc	2%	81%	very bullish	55.2	0.55	positive	deteriorating
YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
<b>8.6%</b>	<b>(AOA) Aggressive Growth</b>	<b>1.4%</b>	-2.3%	<b>8.2%</b>	<b>9.6%</b>	<b>14.2%</b>	<b>21.9%</b>	<b>36.7%</b>
4.1%	(AOM) Moderate Growth & Inc	1.0%	<b>-1.4%</b>	4.0%	5.1%	7.8%	13.4%	23.1%
PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
98.5%	(AOM) Moderate Growth & Inc	94.70	97.22	98.68	98.68	80.52	95.08	90.04
<b>99.3%</b>	<b>(AOA) Aggressive Growth</b>	48.70	49.67	50.05	50.05	44.95	49.02	47.58

### Market Timing v. Diversified Buy & Hold: Performance\*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Index Moose</b>	<b>25.1%</b>	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	8.6%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.1%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
<b>US Strategy Moose</b>	<b>12.7%</b>	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%
S&P Benchmark	8.8%	14.5%	24.5%	24.3%	-19.5%					

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

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

## INVESTMENT STRATEGIES: THE US EQUITY STRATEGY TIMING MODEL

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

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

**THIS WEEK a 2<sup>nd</sup> Risk-OFF week after 2 Risk-ON:  
US Stocks UP, Foreign Stocks UP, Bonds UP and Gold DOWN.**

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

MTUM leads in CI, ROC, TS, and PMO, which is positive and improving. It is no longer overbought.

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

**Best Alternative:** Small caps continue to behave well as does US growth.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	US Momentum (MTUM)	20%	112%	very bullish	62	4.16	positive	deteriorating
2	69%	US Small-Caps (IWM)	13%	97%	very bullish	60	1.85	positive	deteriorating
3	55%	US Growth (IUSG)	6%	91%	very bullish	50	1.84	positive	deteriorating
4	47%	US Large-caps (SPY)	6%	85%	very bullish	53	1.41	positive	deteriorating
5	45%	US High Dividend (SPYD)	11%	106%	very bullish	73	1.22	positive	improving
6	39%	S&P Equal Weight (RSP)	8%	100%	very bullish	64	1.26	positive	deteriorating
7	39%	US Fundamentals (QUAL)	7%	95%	very bullish	62	1.44	positive	deteriorating
8	39%	US Value (IUSV)	7%	86%	very bullish	61	0.95	positive	deteriorating
9	11%	Cash (SGOV)	2%	88%	very bullish	100	0.14	positive	deteriorating
10	-3%	US Low Volatility (SPLV)	1%	58%	neutral	59	-0.06	negative	improving

**NOTE:** All of the strategies in this model are derivative of and highly correlated to the S&P. When SPY's TS and/or CI is bearish, when it hits a stop-loss, is overbought, or gives some other sell signal, adopting any sub-strategy that is highly correlated to it is not recommended. To initiate a switch both SPY and the strategy ETF must have TS>50% and CI>0 or better, not be overbought, and be working off a buy-stop.

Momentum (MTUM) outperforms year-to-date and over 13, 26 and 39 weeks, and 3 years.

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

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	30%	US Momentum (MTUM)	5.9%	-3.0%	34.5%	30.3%	32.4%	40.7%	74.5%
2	19%	US Small-Caps (IWM)	4.0%	-3.0%	17.0%	18.0%	23.9%	38.6%	47.1%
3	14%	US High Dividend (SPYD)	2.5%	0.8%	5.4%	15.4%	13.9%	20.9%	32.6%
4	10%	S&P Equal Weight (RSP)	1.8%	-0.5%	7.3%	11.4%	13.8%	20.2%	32.5%
5	10%	US Growth (IUSG)	0.4%	-3.9%	14.6%	10.0%	16.5%	28.2%	52.1%
6	9%	US Fundamentals (QUAL)	1.8%	-1.1%	9.4%	9.5%	15.2%	21.3%	31.5%
7	9%	US Large-caps (SPY)	0.6%	-2.5%	10.6%	9.1%	15.3%	24.8%	42.1%
8	8%	US Value (IUSV)	1.1%	-0.6%	6.4%	8.8%	14.2%	21.3%	29.8%
9	4%	US Low Volatility (SPLV)	1.4%	1.7%	-1.7%	4.8%	3.3%	4.8%	18.4%
10	0%	Cash (SGOV)	0.1%	0.1%	1.0%	1.9%	2.9%	4.0%	9.0%

# INVESTMENT STRATEGIES: THE GLOBAL INDEX TIMING MODEL

## TOP Index Model Move: HOLD Emerging Markets (EEM)

THIS WEEK a 2<sup>nd</sup> Risk-OFF week after 2 Risk-ON:  
US Stocks UP, Foreign Stocks UP, Bonds UP and Gold DOWN.

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

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

Best Alternative: Emerging Markets triggered a buy-stop 4/8/26 but gapped higher to do so. **Volatility Alert:** It is likely EEM will fill its latest downside gaps (57-59) and retest its 50-day before the US/Iran war is put to bed.

The Global Index Model continues to outperform the S&P, all Buy-and-Hold allocations, and the USES and TSP models in a major way.

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	87%	Emerging Markets (EEM)	94%	very bullish	54.8	2.12	positive	deteriorating
2	55%	US Small-caps (IWM)	97%	very bullish	59.8	1.85	positive	deteriorating
3	37%	US Large-caps (SPY)	85%	very bullish	53.0	1.41	positive	deteriorating
4	37%	Developed Markets (EFA)	79%	bullish	56.2	0.70	positive	deteriorating
5	19%	Gold Bullion (GLD)	14%	very bearish	35.1	-2.59	negative	deteriorating
6	9%	Short US Income (SGOV)	88%	very bullish	100.0	0.14	positive	deteriorating
7	-34%	Very Long US Bonds (EDV)	24%	bearish	56.3	0.02	positive	improving

Performance-wise, EEM leads year-to-date and the past two weeks, over 26, 39, and 52 weeks. IWM is second YTD, outperforming in the latest week as GLD fades. The last quarter has been volatile, with Foreign equities besting US equities due to a weaker Dollar from tariffs and US small caps showing occasional rotational strength domestically.

	YTD	FUND	06/12/26	06/05/26	13wk	26wk	39wk	52wk
1	24.1%	Emerging Markets (EEM)	5.1%	-5.8%	15.4%	28.1%	31.7%	47.6%
2	19.0%	US Small-caps (IWM)	4.0%	-3.0%	16.1%	17.4%	22.6%	41.8%
3	9.4%	Developed Markets (EFA)	2.7%	-2.4%	7.8%	11.5%	15.0%	21.5%
4	8.8%	US Large-caps (SPY)	0.6%	-2.5%	10.0%	9.9%	13.7%	25.7%
5	0.1%	Short US Income (SGOV)	0.1%	0.1%	0.9%	1.8%	2.8%	3.9%
6	-1.2%	Very Long US Bonds (EDV)	1.0%	-0.1%	-0.5%	-0.8%	-4.2%	3.4%
7	-2.5%	Gold Bullion (GLD)	-2.4%	-5.0%	-18.8%	-2.4%	15.5%	22.2%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	25.1%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	8.6%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.1%	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 a 2<sup>nd</sup> Risk-OFF week after 2 Risk-ON:  
US Stocks UP, Foreign Stocks UP, Bonds UP and Gold DOWN.**

**This week: \*The TSP Model holds International equities (Fund I) via buy-stop since 4/8/26 @60.20.**

**International Equities (Fund I) lead in overall confidence, and rate of change. PMO is positive.**

**Best Alternative: Lately US small caps have the highest technical strength, and Price Momentum (PMO).  
Overall, however, aggressive Lifetime Portfolios outperform the TSP Model and more moderate B&H portfolios.**

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
<b>1</b>	<b>100%</b>	<b>International Fund (I)</b>	<b>15%</b>	85%	very bullish	56.8	1.27	<b>positive</b>	deteriorating
2	72%	Lifetime 2060	10%	93%	very bullish	55.9	1.41	positive	deteriorating
3	59%	Lifetime 2050	8%	90%	very bullish	56.1	1.19	positive	deteriorating
4	59%	US Large-caps (C)	7%	90%	very bullish	53.1	1.42	positive	deteriorating
5	55%	US Small-caps (S)	9%	<b>99%</b>	<b>very bullish</b>	60.0	<b>1.88</b>	positive	deteriorating
6	52%	Lifetime 2040	7%	87%	very bullish	56.2	1.06	positive	deteriorating
7	41%	Lifetime 2030	6%	86%	very bullish	56.7	0.86	positive	deteriorating
8	21%	Long-term Inc (L)	3%	85%	very bullish	58.2	0.51	positive	deteriorating
9	2%	Short-term Inc (G)	0%	101%	very bullish	100.0	0.18	positive	improving
10	-11%	Fixed Income (F)	-2%	55%	neutral	55.5	0.01	positive	improving

### TSP Lifetime & Index Funds: Performance Progression

**Performance leader Fund I not only leads YTD but over 26, 39 and 52 weeks and 3 years. Near term US small caps have garnered interest over the last 2 and 13 weeks.**

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
<b>1</b>	<b>International Fund (I)</b>	2.8%	-3.5%	8.5%	<b>19.2%</b>	<b>24.1%</b>	<b>32.2%</b>	<b>15.7%</b>	<b>49.9%</b>
2	US Small-caps (S)	<b>2.9%</b>	-1.9%	<b>11.7%</b>	13.9%	16.0%	30.3%	14.5%	45.9%
3	Lifetime 2030	1.7%	-2.8%	9.3%	13.2%	18.1%	28.5%	12.0%	45.2%
4	Lifetime 2040	1.4%	-2.3%	7.8%	11.1%	15.3%	24.1%	10.2%	38.7%
5	Lifetime 2060	1.3%	-2.0%	7.0%	10.0%	13.8%	21.6%	9.2%	34.9%
6	US Large-caps (C)	0.7%	-2.5%	9.4%	9.2%	14.8%	25.8%	9.1%	41.7%
7	Lifetime 2050	1.0%	-1.6%	5.6%	8.3%	11.5%	18.0%	7.5%	29.8%
8	Long-term Inc (L)	0.6%	-0.8%	3.4%	5.2%	7.2%	10.8%	4.7%	18.5%
9	Short-term Inc (G)	0.1%	<b>0.1%</b>	1.2%	2.3%	3.3%	4.4%	1.9%	9.0%
10	Fixed Income (F)	0.5%	-0.5%	-0.8%	0.2%	1.3%	4.9%	0.5%	10.1%

**\*Stop-loss hit, no buy-stop since—default to highest ranked alternative. \*\*overbought**

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>L2060</b>	<b>12.0%</b>	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
TSP Moose	10.6%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2050	10.2%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	9.2%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	7.5%	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

## INFLATION HITS 3-YR HIGH

Jobs and inflation are the two most important economic considerations when it comes to Fed policy-making. The first week of the month is “jobs” week when the payroll employment data comes out. “Inflation week” follows, when the consumer and producer price indices come out. Below are the key takeaways from the first two week of June.

**CPI (Consumer Price Index) Warm--** May CPI: rose +0.5% month-over-month. That was in line with expectations, down from 0.6% in April. Year-over-year: consumer prices rose 4.2%-- up from 3.8% in April and the highest since April 2023.

May Core CPI (stripping out food & energy) was only up +0.2% month-over-month. That was better than expected and down from +0.4% in April. Year-over-year: core CPI rose 2.9%, up slightly from 2.8% last month and in line with expectations.

**PPI (Producer Price Index) Very Hot--** May PPI rose 1.1% month-over-month. That was hotter than expected (+0.7%) and in line with the prior month. Year-over-year: producer prices rose 6.5%-- up from 5.7% in April.

May core PPI (stripping out food & energy) rose +0.8% month-over-month, the largest increase since late 2022. Core PPI rose 5.1% year-over-year.

**Main drivers:** Energy surged 3.9% MoM (gasoline up sharply) and 23.5% YoY, accounting for over 60% of the monthly headline gain. This reflects broader energy price pressures (e.g., tied to geopolitical factors). In addition, shelter rose 0.3% MoM / 3.4% YoY. Food was modest (+0.2% MoM). Some offsets included declines in motor vehicle insurance and new vehicles.

**Overall:** Inflation re-accelerated to a 3-year high, driven almost entirely by energy. Underlying (core) pressures eased modestly month-to-month, which is a slight positive, but the headline jump keeps policymakers (and markets) focused on persistence.

Wholesale prices accelerated notably, signaling ongoing cost pressures that could feed into consumer prices ahead. Energy was again the dominant factor. Core measures were relatively contained or below expectations in CPI, offering some reassurance on underlying trends, but the headline re-acceleration and hot PPI reinforce “higher for longer” rate expectations ahead of the upcoming FOMC meeting.

In short, this week’s data points to sticky near-term inflation risks despite some moderation in non-energy components. It basically doubles down on last week’s good jobs report in making a Fed rate cut less likely anytime soon.

## RESILIENT JOB MARKET SURPRISES

The basic takeaway from this week’s payroll report is that the US labor market remains surprisingly resilient despite the naysayers and widespread expectations of slower growth.

The Bureau of Labor Statistics reported that (1) MAY Nonfarm payrolls increased by 172K jobs in May, well above the consensus forecast of 80K–90K. (2) Unemployment held steady at 4.3% for a third consecutive month. (3) Average hourly earnings rose a healthy 0.3% in May and 3.4% over the past year. Moreover, MARCH and APRIL payroll estimates were revised upward by a combined 93K jobs, indicating stronger hiring than previously reported.

### The Upshot

- 1. The labor market is still expanding at a healthy pace*
- 2. Recession fears have eased*
- 3. Wage Inflation pressures remain contained*

A gain of 172,000 jobs is more than enough to absorb population growth and keep unemployment from rising. After concerns earlier in the year that hiring was slowing sharply, this report suggests employers are still adding workers at a solid rate. The strongest job gains were concentrated in: Leisure and hospitality, Local government and Healthcare and

social assistance. Financial services lost jobs, while some white-collar sectors continued to show relative weakness thanks in part to AI.

The combination of strong payroll growth, a stable unemployment rate, and upward revisions to prior months argues against the view that the economy is sliding into recession. Most labor-market indicators continue to point toward moderation rather than contraction. Finally, Wage growth of 3.4% year-over-year is not especially alarming for the Federal Reserve. Earnings are rising, but not at a pace that would normally signal an overheating labor market.

Call it "a Goldilocks" report. (Not too hot, not too cold. Just right.) Now I'm a cynic when it comes to government, and notoriously skeptical of the BLS number fabricators after the Biden fakery. But what we learned from that experience is that the BLS numbers, actual or fake, are the numbers the bond and equity markets will react to in the near term.

The downside from this jobs report is that it gives the Federal Reserve less reason to lower interest rates. Financial futures have responded by eliminating expectations for a 2026 rate CUT, instead making a rate HIKE a 50-50 proposition by December. Rate hikes, should they occur, would be bearish for stocks.