MOOSECALLS

Global Financial News & Analysis
SEP.04.2026 through SEP.13.2026

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EXECUTIVE SUMMARY: SEP.04.2026

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 (2)

THIS WEEK: 2nd MIXED-Risk week in a row.
US Stocks FLAT, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN

MARKET CAUTION PERSISTS

US equities looked to be the proverbial "Deer in the headlights" this week as they awaited Friday's August jobs report. Prices dropped through Tuesday, rallied through Thursday, and finally settled lower on Friday's redemptive report. US large-caps and small-caps both finished the week up fractionally (+0.1%), undecided on whether the good job news would ultimately translate into good Fed news. (Ultimately, the odds of a rate hike at the 9/16 FOMC meeting remain more or less unchanged at 59%.) The US Dollar (-0.4%) lost ground, as did US long bonds (-0.6%). The yields on both cash (3.76%) and the ten-year (4.78%) rose as the yield curve (105 bps) steepened. The weaker Dollar juiced commodity prices (+3.6%) which also benefitted from a surge in oil prices (+9.5%). Gold (-0.5%) still fearing a Fed rate hike, lost ground for a second week. Elsewhere, offshore equities mostly enjoyed the weaker Dollar with Latin America (+4.1%), Japan (+2.5%) and Asia-Pacific (+2.3%) up, and only Europe (-0.3%) down. Next week's consumer inflation report will provide more clarity as to the Fed's next move. There were no changes to the models this week.

GLOBAL OUTLOOK POSITIVE (3 of 4 and up this week). War has the Baltic Dry Index down over the last quarter, while oil, copper prices and bond yields are higher, improving the outlook to positive.

INFLATION: WTI oil prices surged over 9% this week and are now up this quarter and back above $91 per barrel. Global inflation per the Fed Check (84) increasingly warrants tightening.

US ECONOMIC DATA: Global Expansion Proceeds, US Jobs Rebound. Yield curve positive and steepening. Recession chances a year out shrinking and minimal. Money market system healthy per SOFR-T spread. Above average US growth prospects. GDP Now estimate (Q3) up to 4.7% as of 9/03.

FEDERAL RESERVE: This week, a dovish off-set from Fed Governor Waller curbed fears of a rate hike at the 9/16 FOMC meeting and weakened the Dollar -0.4%). By December, at least one Fed rate HIKE (88%) and possibly two are likely. The Fed's balance sheet currently stands at $6.74 trillion, with the Fed Funds Rate at 3.50-3.75%. Fed Check (84) remains hawkish since 1/30/2026 (market price of hard assets going up faster than the market price of paper promises.

INVESTMENT STRATEGIES: There were no changes to the models this week pending next week's inflation report.

GLOBAL OUTLOOK: POSITIVE (3 of 4)

Indications are increasingly positive for the global economy.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index is at 3528 this week, up from 3186 last week and down 1.18% 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 is at $91.48 this week, up 1% in the latest quarter, a positive economic signal**. (Oil remains below its 2022 peak ($130), but well above the 2020 Covid low ($10).)

Our proxy for global construction, **copper is 6.68 this week, and up 6% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.78 this week, up 24 basis-points over the past 13 weeks, and a positive** bet on the largest world economy.

GLOBAL RANKING: US Small-caps Losing Steam

Index Moose ETF Rankings through SEP.13.2026

THIS WEEK: 2nd MIXED-Risk week in a row.
US Stocks FLAT, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN

Equities are still the best place to be, beating cash, bonds, and gold, but which equities? The best regional alternative over the last six months per CI is Asia-Pacific, but its technical and PMO scores continue to lag. US large-caps have the highest Technical Strength (TS), but the best regional PMO among those more attractive than cash is Japan. Incumbent #1 US small-caps (CI second place) are still technically bullish with a positive PMO but have eroded over the last 3 weeks due to growing worries about a September Fed rate hike. A Fed rate hike would help the Dollar and pressure US equities, especially small caps.

If, however, there is no Fed rate hike 9/16, and as expected there are European (9/10) and Japanese (9/17) rate hikes, US equities (IWM, SPY) could rebound, but the Dollar will fall, increasing the attractiveness of international stocks (EEM) to US dollar investors, particularly emerging markets (EEM). The recent US-Japan joint foreign exchange intervention to smooth out "disorderly Yen movements" and Treasury's ongoing action to double bond buy-backs would continue to put pressure on the Dollar as well. Next week's CPI inflation data will clarify likely monetary policy decisions.

** 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. **Working off a buy-stop.*

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**Asia Pacific ex-Japan (AAXJ)**	81%	very bullish	62.9	1.09	positive	improving
2	80%	US Small-caps (IWM)	61%	bullish	48.2	0.16	positive	deteriorating
3	76%	Japan (EWJ)	92%	very bullish	63.7	**1.13**	**positive**	**improving**
4	56%	US Large-caps (SPY)	**96%**	**very bullish**	55.6	0.75	positive	deteriorating
5	43%	Europe (IEV)	77%	bullish	51.4	0.73	positive	deteriorating
6	42%	Latin America (ILF)	79%	bullish	64.6	1.03	positive	improving
7	13%	Short US Income (SGOV)	91%	very bullish	65.6	0.15	positive	improving
8	-20%	Gold Bullion (GLD)	43%	neutral	52.4	1.92	positive	deteriorating
9	-47%	Very Long US Bonds (EDV)	6%	very bearish	49.1	-0.57	negative	improving
		US Dollar	72%	bullish	48.0		negative	improving
		Commodities	105%	very bullish	68.2		positive	improving
		US Oil	112%	very bullish	66.2		positive	improving
		Ryan/CRB	84%	HIKE RATES				
		Volatility	15.1	normal				

Asian stocks (AAXJ and EWJ) are the best performing regional choices YTD. Despite weakness in India and China, AAXJ shows persistent strength thanks to tech and semiconductors in Taiwan and Korea. Japan has shown life of late, thanks to the US-Japan joint foreign exchange intervention which also helps the entire Asian region. Among international equities Emerging markets (EEM) are outperforming Developed (EFA).

YTD	FUND	09/04/26	08/28/26	13wk	26wk	39wk	52wk	3Y
28.4%	Asia Pacific ex-Japan (AAXJ)	2.3%	0.5%	-1.8%	**23.0%**	**33.1%**	**40.4%**	74.3%
21.7%	Japan (EWJ)	2.5%	0.7%	5.2%	17.4%	29.3%	32.2%	55.7%
20.3%	US Small-caps (IWM)	0.1%	-1.4%	3.1%	20.2%	19.5%	25.6%	38.4%
18.5%	Latin America (ILF)	**4.1%**	-0.1%	**7.5%**	8.5%	21.1%	**40.4%**	60.3%
12.9%	US Large-caps (SPY)	0.1%	0.5%	2.4%	16.3%	13.6%	20.1%	41.3%
9.3%	Europe (IEV)	-0.3%	-0.8%	5.6%	12.0%	15.8%	21.3%	39.3%
2.6%	Gold Bullion (GLD)	-0.5%	-3.4%	-0.3%	-12.9%	5.1%	21.5%	**74.6%**
0.1%	Short US Income (SGOV)	0.1%	0.1%	1.0%	1.8%	2.8%	3.8%	8.6%
-7.3%	Very Long US Bonds (EDV)	-0.6%	**1.9%**	-4.2%	-5.3%	-7.7%	-7.8%	-16.1%

Global Economy through SEP.13.2026

GLOBAL RANKING: TECHNICAL OVERVIEW

THIS WEEK: 2nd MIXED-Risk week in a row.
US Stocks FLAT, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN

#1 ASIA-PACIFIC Pops Higher--
AAXJ rose 2.3% this week, after gaining 0.5% last week. That left it very bullish and ranked 1 globally and more attractive than cash.

#2 US SMALL-CAPs Bounce Off Stop-Loss--
IWM rose 0.1% this week, after losing 1.4% last week. That left it bullish, ranked 2 globally and more attractive than cash.

#3 JAPAN Tests Recent High--
EWJ rose 2.5% this week, after gaining 0.7% last week. That left it very bullish, ranked 3 globally and more attractive than cash.

#4 US LARGE-CAPS Await More Data--
SPY rose 0.1% this week, after gaining 0.5% last week. That left it very bullish, ranked 4 globally and more attractive than cash.

#5 EUROPE Drops to 50-day, Bounces--
IEV fell 0.3% this week, after losing 0.8% last week. That left it bullish, ranked 5 globally and more attractive than cash.

#6 LATIN AMERICA Breaks Higher--
ILF rose 4.1% this week, after losing 0.1% last week. That left it bullish, ranked 6 globally and more attractive than cash.

Cash: Cash rose 0.1% this week, after gaining 0.1% last week. That left it very bullish and ranked 7 globally.

#7 CASH Yield Rises—
The 3-month cash yield rose 3 ticks to 3.76% and the 10-year US Treasury yield rose 6 to 4.78%, steepening the slope of the 3m-10y yield curve to 102 bps. Cash rose 0.1% this week, after gaining 0.1% last week. That left it very bullish and ranked 7 globally. The index is up 1.0% for the quarter (13 weeks), and up 3.8% for the year (52 weeks). The cash yield is 13 bps above the Fed overnight rate (3.625%). Meanwhile, the two-year Treasury is yielding 4.37%, up 2 bps this week and a 75 basis-point premium to cash.

#8 GOLD Drops Below 200-day--
GLD fell 0.5% this week, after losing 3.4% last week. That left it neutral, ranked 8 globally and less attractive than cash.

#9 LONG US T-BONDS Give Some Back--
EDV fell 0.6% this week, after gaining 1.9% last week. That left it very bearish, ranked #9 globally and less attractive than cash.

COMMODITIES Break Out on Oil Strength--
A very bullish CRB rose 3.6% this week after losing 1.5% last week. That left commodity prices up 8.2% for the quarter and up 43.6% for the year.

CRUDE OIL: The broader oil complex (USO) rose 9.5% this week, following last week's loss of 3.7% and is currently very bullish. That leaves US oil prices up 10.0% for the quarter and up 91.4% for the year.

US DOLLAR Drops on BoJ Hike Bet--
UUP fell 0.4% this week, after gaining 1.0% last week. It is currently bullish—up 1.3% for the quarter and 2.0% in the last year.

US ECONOMY: SEP.04.2026

OVERALL: Global Expansion Proceeds, US Jobs Rebound

PRODUCTION: Global Expansion in Manufacturing & Services

(-) 8/29 WEEKLY EIA Crude Oil Inventory (-4.45M) DRAW appears as WTIC oil prices fall ($83).
(-) JUL Industrial Production (+0.2%) below prior and below consensus.
(+) JUL Capacity Utilization (76.3) above previous in line with expectations.
(+) AUG S&P Global U.S. Manufacturing PMI – (53.9) expanding, UP from previous.
(+) AUG S&P Global U.S. Services PMI – (56.5) expanding, UP from JUN
(-) AUG ISM Manufacturing Index (54.6) expanding, BELOW prior and consensus.
(+) AUG ISM Services Index (55.4) expanding, BEAT prior and consensus.

CONSTRUCTION: Spending Contracts

(-) JUL Housing Starts (1239K) well below consensus and previous.
(+) JUL Building Permits (1443K) above consensus and prior.
(-) JUL Existing Home Sales (4.06M) below previous and consensus.
(-) JUL New Home Sales (607K) DOWN from prior and forecasts.
(-) JUL Construction Spending (-0.5%) below prior and expectations.

INFLATION:

(+) JUL CPI (+0.1%) cooler than prior and consensus. (+3.4% y-o-y)
(+) JUL Core CPI (+0.2%) cooler than prior and forecasts. (+2.5% y-o-y)
(+) JUL PPI:(+0.0%) cooler than prior and consensus. (+4.7% y-o-y)
(+) JUL Core PPI (+0.2%) cooler than prior and forecasts. (+4.2% y-o-y)
(-) JUL Import Prices (-0.4%) cooling but still hot. (+5.9% y-o-y)
(+) JUL Export Prices (-1.3%) cooling, but still hot. (+8.2% y-o-y)
(-) JUL PCE Prices (+0.2%) warmer than prior and expected. (1yr 3.7% up.)
(-) JUL PCE Prices – Core (+0.2%) warmer than prior and expected (1yr 3.3% up.)

JOBS: August Recovery After July Debacle

(-) Weekly initial Claims (206K) ABOVE previous and expectations.
(-) Weekly Continuing Claims (1779K) ABOVE prior this week.
(-) BLS lowered US job estimates by 79K for 12 months through March 2026.
(-) AUG ADP Private Payrolls (38K) DOWN more than expected from previous.
(+) **AUG** Nonfarm Payrolls (+162K) blowout BEAT of prior; well ABOVE consensus.
(+) **AUG** Unemployment rate (+4.1%) in line with prior, BEAT consensus.
(+) **AUG** Average Hourly Earnings (+0.3%) BEAT consensus and prior.
(+) **AUG** Average workweek (34.4) unchanged.
(-) JUL JOLTS Job openings (7.271M) BELOW consensus; ABOVE prior revised lower.
(+) AUG Challenger Job Cuts (52.9K) UP from JUL but DOWN from a year ago. Lowest AUG since '22.

CONSUMPTION: Trade Deficit Deepens

(-) AUG Consumer Confidence (89.4) DOWN from prior and below consensus.
(+) JUL Durable Orders (+1.1%) BEAT prior and consensus.
(+) JUL Personal Income (+0.4%), ABOVE consensus and prior.
(-) JUL Personal Spending (+0.2%) BELOW prior in line with consensus.
(+) AUG Michigan Consumer Sentiment (51.7) positive, ABOVE consensus and prior.
(+) JUL NFIB Small Business Optimism (99.8) strong and above prior (97.4).
(-) JUL Retail Sales (-0.6%) unexpectedly contracted.
(-) JUL Trade Deficit (-$88.6) WORSENS from prior, better than expected.
(+) JUL Federal Budget (-$432.3B) in deficit and worse than June.

GDP & RELATED DATA:

(+) Q2 GDP – 2ndEST (+1.5%) in line with previous and consensus.
(-) Q2 GDP Deflator – 2ndEST (+6.4%) hotter than previous and forecasts.
Q2 Employment Cost Index (+0.9%) hotter than consensus and previous.
(+) Q2 Productivity – (1.4%) revised in line with prior and consensus. Up more than labor costs.
(+) Q2 Unit Labor Costs – revised (+1.2%) a tick lower than previous and consensus. Cooler than inflation.
(-) Q1 Current Account Balance (-$226.8) deficit greater than previous quarter and consensus forecast.

RECESSION THREAT: MINIMAL, FALLING

US recession chances one year out: 15.19% (JULY 2027) per NY Fed. The Fed model's chance of recession has been below 30% (the threshold signaling a recession one year out) and falling since 2025. It reached a recent low of 15 in MAY 2026. 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 Q3 GDP NOW up to 4.7%

Atlanta Fed Current GDP Model (09/03/2026): Q3 Annualized 4.7% (Last week: Q3 Annualized +4.6%)

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.74T); FFR @ (3.50-3.75%)

Federal Reserve: week of SEP.04.2026

Currently, the Fed's balance sheet is $6.737T, down 0.009T in the latest week 9/2/26. The Fed Funds Rate was lowered 25 BPS to 3.50-3.75% at the DEC10 FOMC meeting. No change since the January, March, April, June or July FOMC meetings.

The next FOMC meeting is September 16. The new chairman since May 22, Kevin Warsh, chaired his first FOMC meeting June 17. No near-term rate hikes were expected or delivered but a more hawkish tone suggests supply-side inflation pressures brought on by the war with Iran may eventually force two rate hikes by year-end. **The odds of a rate hike at the next meeting have improved to 59% after the latest payroll report.**

The **Fed Check at 84%** turned hawkish as of 1/30/2026 (**tighter monetary policy needed** to combat global inflation pressures.) The US 2-Year yield at 4.372 however, is now 75 bps higher 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 steepened to a slope of 102 bps** this week, as the 10-year US Treasury yield rose to 4.78% and the 3-month cash yield rose to 3.76%. **Intermediate term the curve is positive and steepening.** (The curve was inverted from 11/22 through 12/24 but has been positive since.) The 30d-10y median yield 4.27 is above its 200-day 3.99. **A rising median yield and a steepening yield curve are both bullish for stocks.**

3-month SOFR yield is 3.66%, while the 3-month T-bill is 3.76%. That puts the SOFR/T-Bill (SOF-T) spread at -1 basis point, below its 200-day average of +3 bps. **A falling SOF-T spread signals a safer, more confident money market system.**

FED OVERALL THIS WEEK: SLIGHTLY MORE HAWKISH
FED CHECK: TIGHTENING INDICATED
RATE POSTURE: STEADY
BALANCE SHEET: STEADY
FED SPEAK: HAWKISH

Latest FOMC Assessment (2026.7.29) The Federal Open Market Committee approved the following statement for release by a 9 – 3 vote: The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve's dual mandate. The Committee is continuing its policy of maintaining ample reserves in the banking system. Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability. (Next Meeting: 9/16/2026)

US Currency Market:
US DOLLAR Drops on BoJ Hike Bet

US Dollar: UUP fell 0.4% this week, after gaining 1.0% last week. It is currently bullish—up 1.3% for the quarter (13 weeks), and up 2.0% in the last year. At $28.08, UUP is below its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is negative but improving. RSI14 @ 48.0 is neither overbought nor oversold. As for other major currencies vs the Dollar, the Australian $ (FXA) is very bullish this week. The British Pound (FXB) is very bullish. The Canadian Dollar (FXC) is bullish. The Euro Dollar (FXE) is neutral. The Swiss Franc (FXF) is very bearish, and the Japanese Yen (FXY) is bullish.

The Dollar turnaround that began with a hawkish tone from Fed chair Warsh at Jackson Hole last week was stunted by dovish remarks from US Federal Reserve Governor Christopher Waller this week. In addition, a sharp surge in the Japanese yen due to heavy market speculation that the Bank of Japan (BOJ) will raise interest rates at its mid-September meeting is weighing on the greenback. The Dollar initially sank when Europe and Japan hiked rates and the US didn't. The recent US-Japan joint foreign exchange intervention to smooth out "disorderly Yen movements" and Treasury's plan to double bond buy-backs continued to weigh on the Dollar. So overall, the dollar is still in a downtrend reflecting changing interest rate expectations and a narrowing gap between US monetary policy and that of other major central banks rather than a sharp deterioration in US economic fundamentals. This week's payroll numbers were strong. At 58%, a Fed rate hike in ten days is still better a better bet than a coin toss. Now the focus shifts to next week's CPI inflation release. Cooler US inflation, while Europe and Japan move toward tighter policies, would keep the dollar under pressure. A hot CPI on the other hand could lead to Fed tightening and put "King Dollar" back on top.

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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 underperform hedged
British Pound (FXB)	very bullish	US$ Investors underperform hedged
Canadian Dollar (FXC)	bullish	US$ Investors underperform hedged
Euro Dollar (FXE)	neutral	US$ Investors match hedged (IEV<HEDJ)
Swiss Franc (FXF)	very bearish	US$ investors outperform hedged
Japanese Yen FXY)	bullish	US$ investors underperform hedged (EWJ<DXJ)
US Dollar	bullish	

#9 LONG US T-BONDS Give Some Back

US Long Treasury Bonds: EDV fell 0.6% this week, after gaining 1.9% last week. That left it very bearish and ranked #9 globally and less attractive than cash. Long bonds are down 4.2% for the quarter (13 weeks) and down 7.8% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield rose 6 ticks to 4.78% and the 3-month yield rose 3 ticks to 3.76% with the yield curve steepening to 102 basis points. That reduces the odds of a recession in late 2027. At US $60.29, EDV is below its short-term (50-day) average and below its intermediate-term (200-day) average. Momentum (PMO) is negative but improving, and its 14-day RSI of 49.1 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.

Bonds fell and yields rose (1) on strong payroll and production data (2) on conflicting monetary policy guidance and rate expectations (3) on rising energy costs and inflation concern, and (4) on ongoing US fiscal deficits and heavy public and private sector bond supply. In addition, Treasury announced a plan to double its buybacks of long-term T-Bonds beginning in September after the 30-year yield reached levels not seen since the 2008 financial crisis. The idea is to ease pressure on long-term borrowing costs for the government, businesses, and consumers at the end of the fiscal year (9/30) and before the elections. It worked briefly, but this week fundamentals took over and yields recovered, underscoring that sustained lower long-term rates will likely require improvements in the fiscal outlook, inflation trajectory, or other structural factors rather than buybacks alone.

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

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US Equity Market:
#4 US LARGE-CAPS Await More Data

US Large-Cap Stocks: SPY rose 0.1% this week, after gaining 0.5% last week. That left it very bullish and ranked 4 globally and more attractive than cash. The index is up 2.4% for the quarter (13 weeks), and up 20.1% for the year (52 weeks). At $770.19, 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 55.6 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.

Equity investors enjoyed strong payroll and production data this week, but rising energy costs and inflation concerns due to flare-ups in Iran and Ukraine tempered the optimism. How much good news does it take to become bad news, a.k.a., rate hikes? Conflicting monetary policy guidance and rate expectations added to the uncertainty engendered by rising interest rates. With the economy apparently at full employment and inflation officially a concern, next week's CPI inflation report will shed more light on the timing of the Fed's next move. Meanwhile, investors seem content to wait, not unlike a deer in the headlights.

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:
#2 US SMALL-CAPs Bounce Off Stop-Loss

US Small-Cap Stocks: IWM rose 0.1% this week, after losing 1.4% last week. That left it bullish and ranked 2 globally and more attractive than cash. The index is up 3.1% for the quarter (13 weeks), and up 25.6% for the year (52 weeks). At $296.01, IWM 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 48.2 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.

Equity investors enjoyed strong payroll and production data this week, but rising energy costs and inflation concerns due to flare-ups in Iran and Ukraine tempered the optimism. How much good news does it take to become bad news, a.k.a., rate hikes? Conflicting monetary policy guidance and rate expectations added to the uncertainty engendered by rising interest rates. With the economy apparently at full employment and inflation officially a concern, next week's CPI inflation report will shed more light on the timing of the Fed's next move. (A Fed rate hike this month would disproportionately affect small-caps, for whom additional borrowing costs are an important consideration. As a result, IWM investors are a bit jumpier than SPY investors, but still not unlike a deer in the headlights these days.

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: Week's Top Sectors:
Oil & Gas (2), Technology, Biotech, Pharma, Health Providers

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 slows but remains broadly positive -- 82% of our sectors are buy or hold (L89%) with **BUYS down at 30%** (L41%) and **HOLDS up at 52%** (L48%). **Avoids are up at 18%** (L11%). **Top buys this week:** Oil & Gas (2), Technology, Biotech, Pharma, Health Providers. **Week's Worst:** Medical Devices, Gold Miners, Retail, Defense

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	36%	41%	neutral	51.2	-0.61	negative	deteriorating
92%	Oil/Gas Expl & Prod (XOP)	37%	113%	**very bullish**	64.5	**3.68**	**positive**	**improving**
65%	US Oil Equip & Serv (IEZ)	23%	84%	very bullish	59.8	2.34	**positive**	**improving**
51%	US Technology (IYW)	24%	101%	**very bullish**	56.8	0.93	positive	deteriorating
47%	US Pharmaceuticals (IHE)	19%	99%	very bullish	53.2	1.64	positive	deteriorating
45%	Biotechnology (IBB)	19%	111%	**very bullish**	60.5	**3.71**	positive	deteriorating
31%	US Health Providers (IHF)	14%	108%	**very bullish**	54.6	1.03	positive	deteriorating
24%	Transports (IYT)	7%	54%	neutral	39.9	-0.52	negative	deteriorating
22%	S&P 500 (SPY)	10%	96%	very bullish	55.6	0.75	positive	deteriorating
20%	Industrials (XLI)	3%	44%	neutral	38.9	-0.80	negative	deteriorating
19%	Select Materials (XLB)	5%	82%	very bullish	49.5	0.81	positive	deteriorating
19%	KB Banks (KBE)	5%	72%	bullish	52.0	0.03	positive	deteriorating
15%	REITs (VNQ)	3%	52%	neutral	39.2	-0.36	negative	deteriorating
15%	KBW Insurance (IAK)	9%	86%	very bullish	50.7	0.46	positive	deteriorating
14%	Software (XSW)	12%	115%	very bullish	56.2	4.19	positive	deteriorating
14%	DJ Internet Index (FDN)	9%	105%	very bullish	56.3	1.83	positive	deteriorating
13%	Capital Markets (KCE)	4%	106%	very bullish	60.2	2.19	positive	deteriorating
12%	Consumer Staples (XLP)	1%	76%	bullish	45.2	0.27	positive	deteriorating
9%	Food & Beverage (PBJ)	1%	59%	neutral	47.3	0.12	positive	deteriorating
5%	Gold Miners (GDX)	-6%	82%	very bullish	58.5	6.93	positive	deteriorating
1%	US Aerospace & Def (PPA)	-9%	22%	bearish	33.0	-1.34	**negative**	**deteriorating**
-2%	Utilities (XLU)	-3%	2%	very bearish	43.9	-1.23	**negative**	**deteriorating**
-5%	Bitcoin (BLOK)	-3%	67%	bullish	59.0	1.21	positive	improving
-8%	CASH	-4%	2%	very bearish	38.3	-0.06	negative	deteriorating
-10%	Retail (XRT)	-4%	50%	neutral	48.9	-0.33	**negative**	**deteriorating**
-13%	Telecommunications (FCOM)	-4%	29%	bearish	53.8	0.23	positive	improving
-13%	Home Construction (XHB)	-12%	12%	very bearish	43.1	-1.18	**negative**	**deteriorating**
-15%	Media Portfolio (XLC)	-5%	32%	bearish	51.8	0.50	positive	improving
-30%	US Medical Devices (IHI)	-13%	57%	neutral	44.8	1.57	positive	deteriorating

US Sector Top Performers: YTD (9/4/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
57.4%	Semiconductors (SMH)	**1.9%**	0.1%	2.0%	-5.3%	**39.5%**	**61.5%**	**96.4%**	140.5%
51.0%	Oil/Gas Expl & Prod (XOP)	0.9%	3.4%	4.3%	16.3%	24.1%	43.3%	46.2%	41.7%
46.4%	US Oil Equip & Serv (IEZ)	-0.4%	**5.8%**	**5.4%**	1.9%	5.8%	47.5%	61.6%	48.4%
26.9%	US Technology (IYW)	0.8%	2.1%	2.9%	0.2%	33.7%	27.6%	38.7%	73.9%
25.6%	Biotechnology (IBB)	1.4%	-3.4%	-2.0%	**23.1%**	20.9%	22.1%	51.3%	43.6%
23.4%	US Pharmaceuticals (IHE)	1.0%	-3.5%	-2.5%	14.5%	14.3%	23.9%	49.4%	49.9%
19.8%	US Health Providers (IHF)	1.3%	-0.5%	0.7%	14.4%	24.6%	16.7%	22.2%	0.2%
15.7%	Gold Miners (GDX)	0.8%	-6.6%	-5.9%	10.9%	-14.3%	20.2%	55.2%	**162.6%**
15.6%	Select Materials (XLB)	-0.5%	-1.7%	-2.1%	2.5%	-1.8%	17.9%	16.0%	15.8%
14.7%	Bitcoin (BLOK)	**4.4%**	-3.1%	1.3%	-4.0%	22.0%	4.2%	11.7%	95.8%

INTERNATIONAL MARKETS:
#8 GOLD Drops Below 200-day

Gold Bullion: GLD fell 0.5% this week, after losing 3.4% last week. That left it neutral and ranked 8 globally and less attractive than cash. The index is down 0.3% for the quarter (13 weeks), but up 21.5% for the year (52 weeks). At $406.77, GLD is above its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is positive and deteriorating, and its 14-day RSI of 52.4 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.

Higher US interest rates set the week's negative tone in Gold, which was already giving back some of its recent three-week rally. Dovish Fed-speak mid-week mitigated GLD's dip somewhat but could not keep it in the black on Friday as the odds of a rate hike at the 9/16 FOMC remain better than 50-50 (59%). With the economy at full employment and inflation officially a concern, next week's CPI inflation report will shed more light on the Fed's next move. Regardless of what the Fed does, however, expected September rate hikes in Europe and Japan would appear to make gold's prospects in a rising-rate-world dim. On the positive side for gold, a large and persistent US deficit remains, as well as supply-side inflation driven by geopolitical uncertainty (Venezuela, Iran, Ukraine). Financial threats to demand (global recession or a severe equity market panic) evidenced by equity margin calls are also not in evidence.

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INTERNATIONAL MARKETS:
COMMODITIES Break Out on Oil Strength

Commodities: A very bullish DBC rose 3.6% this week after losing 1.5% last week. That left commodity prices up 8.2% for the quarter (13 weeks), and up 43.6% for the year (52 weeks). At $31.90 the CRB is above its short-term (50-day) average and above its intermediate-term (200-day) average at 122. Its momentum (PMO) is positive and improving, and its 14-day RSI of 68.2 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, the broader oil complex (USO) rose 9.5% this week, following last week's loss of 3.7% and currently very bullish. That leaves US oil prices up 10.0% for the quarter (13 weeks), and up 91.4% for the year (52 weeks). At $141.96, USO is above its short-term (50-day) average and its intermediate-term average. Momentum is positive and improving, and its 14-day RSI of 66.2 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.

WTI crude spiked above $91, pushing commodities higher. This week's US military strikes combined with sanctions and economic pressure on Iran upped the ante on crude, shutting down most of Iran's ability to export oil. Oil's moves are primarily supply-risk/geopolitical rather than evidence of weaker global economic demand.

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INTERNATIONAL EQUITIES:
#5 EUROPE Drops to 50-day, Bounces

European Large-Cap Stocks: IEV fell 0.3% this week, after losing 0.8% last week. That left it bullish and ranked 5 globally and more attractive than cash. The index is up 5.6% for the quarter (13 weeks), and up 21.3% for the year (52 weeks). At $75.01, 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 51.4 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.

IEV backed off its recent all-time high for a second week as the prospect of an ECB rate hike next week (9/10) gained more traction. Meanwhile, conflicting monetary guidance out of the Fed reduced expectations that US rate hike is imminent giving hope to European equities. Uncertainty over Iran and the Strait of Hormuz keeps an inflationary risk premium in crude oil even when signs of possible diplomatic progress over shipping push oil prices lower. European consumers and energy-intensive industries are particularly affected. US trade policy remains another headwind, particularly for Europe's export-oriented automobile and industrial sectors. Technology stocks were additionally influenced by US semiconductor and AI developments. In short, European equities balanced improving economic activity against higher global yields, energy uncertainty and trade risks. NOTE: An improving Euro vs. Dollar keeps Europe (IEV +5) underperforming Europe's hedged version (HEDJ +6) and weaker than the US market (VTI +11). Ireland (EIRL +17), Italy (EWI +16), Spain (EWP +14) and Netherlands (EWN +13) are outperforming the US. Denmark (EDEN +11), Germany (EWG +4), Britain (EWU +2), France (EWQ +2) and Switzerland (EWL +1) are lagging it.

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:
#3 JAPAN Tests Recent High

Japanese Stocks: EWJ rose 2.5% this week, after gaining 0.7% last week. That left it very bullish and ranked 3 globally and more attractive than cash. The index is up 5.2% for the quarter (13 weeks), and up 32.2% for the year (52 weeks). At $98.28, EWJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 63.7 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.

US Treasury actions appeared to curb rising bond Japanese yields and limit yen weakness, lowering volatility and encouraging a shift to risk-on mode. As a result, Japanese equities remained strongly supported by global risk appetite this week, particularly in the tech and semiconductor (AI-related) sectors. (Renewed US-China trade tensions, including the prospect of additional US tariffs on Chinese goods, reinforced demand for Japanese technology and industrial companies as investors sought alternatives to China.) The US Fed's policy signal that US rates would remain elevated, supporting the dollar and keeping the yen near ¥160 per dollar, benefits Japan's large exporters. Higher global oil prices, however, disproportionately affect Japan and increase concern about imported inflation. Rising crude prices threaten corporate margins and household purchasing power, making a BoJ rate hike (9/17) highly likely. Overall, the external backdrop remained favorable for Japan’s exporters but less favorable for its domestic consumers. Strong global risk appetite, solid earnings, and less Yen volatility are supportive of EWJ, while rising yields and BOJ tightening expectations create countervailing pressure. NOTE: For Dollar investors the hedged version of Japanese equities (DXJ @10) is preferable to the dollar-based Japanese equities we track (EWJ @9) but not to US stocks (VTI @11).

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:
#1 ASIA-PACIFIC Pops Higher

Asia-Pacific ex-Japan: AAXJ rose 2.3% this week, after gaining 0.5% last week. That left it very bullish and ranked 1 globally and more attractive than cash. The index is down 1.8% for the quarter (13 weeks), but up 40.4% for the year (52 weeks). At $119.54, AAXJ is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 62.9 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.

Asian equities gapped up on Friday led by a 3.4% jump in the Philadelphia Semiconductor Index. The strong gains in semiconductor and AI-related names benefitted Korea and Taiwan the most. For its part, China announced a $45 billion capital injection, part of a broader package near $54 billion, into major state banks and insurers in order to strengthen balance sheets, support lending in the property sector, and ease margin pressure amid slower growth. That gave modest support to stocks in China and Hong Kong, despite threats of a new US tariff hanging over Chinese exporters. India remains under pressure from foreign capital outflows, elevated oil prices and concerns about relative valuations. Overall, foreign investors have redirected funds toward Japan, South Korea and Taiwan, where valuations and AI-related opportunities appear more attractive. Asian equity markets (AAXJ +17) are more attractive than US stocks (VTI +11). Taiwan (EWT +54) is still a standout along with South Korea (EWY +38) followed by Singapore (EWS +24). Australia (EWA +3), Hong Kong (EWH -1), China (FXI -2), and India (IMVP -10) lag the US and are struggling due to energy dependence and US tariffs.

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:
#6 LATIN AMERICA Breaks Higher

Latin America 40: ILF rose 4.1% this week, after losing 0.1% last week. That left it bullish and ranked 6 globally and more attractive than cash. The index is up 7.5% for the quarter (13 weeks), and up 40.4% for the year (52 weeks). At $36.07, ILF is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its momentum (PMO) is positive and improving, and its 14-day RSI of 64.6 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.

ILF broke to a new 4-month high this week about 6% shy of the all-time high hit 4/17/26. This despite US Fed guidance suggesting “higher-for-longer” (US interest rates. Higher US rates would strengthen the dollar and reduce the relative attractiveness of Latin American assets. It also makes dollar denominated loans, a Latin favorite, more expensive and harder to repay.) Brazil faces a separate external headwind as trade negotiations between Presidents Trump and Lula remain unresolved. Washington's 25% duties on selected Brazilian products continue to affect expectations for Brazilian exports and corporate earnings. Oil, gold, and other commodities provide an offset, supporting resource-producing economies like Canada, Colombia, and Chile. Overall, global monetary conditions and US trade policy remained more important than domestic developments. ILF’s performance has been very volatile making the more diversified Emerging markets (EEM +6) a more attractive market timing choice. That is increasingly true with momentum in Latin equities (ILF +2) under-outperforming its US cousin (VTI +11) in 6- month Price-Performance vs cash. Colombia (COLO +32) is by far the strongest Latin equity market, handily outperforming the US. Argentina (ARGT +18) follows. Chile (ECH +1), Brazil (EWZ +0) and Mexico (EWW -2) are all lagging the US, as is Canada (EWC +6) which is not in ILF, but a key player in the Americas.

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)

2026 has been difficult. US stocks have lagged globally and bonds have been lackluster. Diversified 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: 2nd MIXED-Risk week in a row.
US Stocks FLAT, Foreign Stocks MIXED, Bonds DOWN 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
40%	**(AOA) Aggressive Growth**	**6%**	**81%**	**very bullish**	**56.5**	**0.56**	**positive**	**deteriorating**
11%	(AOM) Moderate Growth & Inc	2%	72%	bullish	53.8	0.22	positive	deteriorating

YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
11.0%	**(AOA) Aggressive Growth**	**0.3%**	**0.1%**	**1.3%**	**6.8%**	**12.2%**	**17.6%**	**34.3%**
4.4%	(AOM) Moderate Growth & Inc	0.1%	0.1%	-0.1%	2.1%	5.4%	9.0%	19.0%

PR/HI	Description	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
99.4%	(AOA) Aggressive Growth	97.98	99.42	100.03	100.03	84.55	97.86	93.27
99.4%	(AOM) Moderate Growth & Inc	49.42	49.85	50.16	50.16	46.25	49.52	48.47

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**24.0%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	11.0%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.4%	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
S&P Benchmark	12.9%	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	5.1%	16.7%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%

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 the 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 Small-Caps (IWM) since 7/15/2026.

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: 2nd MIXED-Risk week in a row.
US Stocks FLAT, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN

The US Equity Strategy (USES) Model ***HOLDS US Small-Caps (IWM) since 7/15/2026*** *after* MTUM triggered a stop-loss.

MTUM leads in overall confidence and ROC among USES assets, but it lags in technical strength and has a negative price momentum (PMO). It triggered a buy-stop (8/13) that was ignored and price is down since, leaving **incumbent IWM in the USES model's top slot.** IWM's technical strength is better and its PMO is positive, but it has been deteriorating on the prospect of a September Fed rate hike for three weeks. ***IWM touched a stop-loss level this Tuesday but has been higher every day since and has been ignored. A Fed rate hike would hit small-caps harder than most but there is room for a 3-4% rebound if a hike is postponed. Next week's CPI inflation data will add clarity, but the more interesting question is whether the new Warsh Fed will hike rates before the mid-term elections or wait until after.

Best Alternatives: US High Dividend (SPYD) has a decent chart and strong technicals as well as a positive (but deteriorating) PMO. **Volatility Alert: IWM has an unfilled downside gap (249-259) from April 8.**

*Stop-loss, **Buy-stop, ***note

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Momentum (MTUM)**	**15%**	43%	neutral	50	-0.72	negative	deteriorating
2	79%	US Small-Caps (IWM)***	8%	61%	bullish	48	0.16	positive	deteriorating
3	69%	US High Dividend (SPYD)	9%	90%	very bullish	47	0.54	positive	deteriorating
4	62%	US Growth (IUSG)	11%	93%	very bullish	55	0.70	positive	deteriorating
5	60%	S&P Equal Weight (RSP)	8%	91%	very bullish	49	**0.76**	positive	deteriorating
6	56%	US Large-caps (SPY)	10%	**96%**	very bullish	56	0.75	positive	deteriorating
7	51%	US Fundamentals (QUAL)	8%	89%	very bullish	50	0.56	positive	deteriorating
8	49%	US Value (IUSV)	8%	92%	very bullish	66	0.15	positive	improving
9	20%	US Low Volatility (SPLV)	1%	58%	neutral	42	-0.23	negative	deteriorating
10	13%	Cash (SGOV)	2%	91%	very bullish	66	0.15	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>50% and CI>0 or better, not be overbought, and be working off a buy-stop.

PERFORMANCE: IWM led YTD and over 39 and 52 weeks but is fading as rate hikes appear more likely.
Best Alternative: SPYD has a better chart and stronger technicals.

	YTD	Description	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	**22%**	**US Momentum (MTUM)**	**1.7%**	-1.8%	-3.4%	**20.8%**	**22.4%**	25.4%	**59.6%**
2	20%	US Small-Caps (IWM)	0.1%	-1.4%	2.2%	13.7%	19.9%	**26.5%**	38.4%
3	15%	US High Dividend (SPYD)	-0.8%	-0.8%	4.4%	4.4%	15.7%	15.0%	19.9%
4	14%	S&P Equal Weight (RSP)	-0.8%	-0.4%	**4.9%**	7.3%	15.3%	17.8%	29.2%
5	14%	US Growth (IUSG)	0.4%	**0.7%**	0.3%	17.3%	14.4%	21.6%	53.0%
6	13%	US Large-caps (SPY)	0.1%	0.5%	2.1%	12.9%	13.6%	20.0%	41.2%
7	12%	US Fundamentals (QUAL)	-0.5%	0.2%	3.5%	9.1%	13.2%	18.1%	28.7%
8	12%	US Value (IUSV)	-0.2%	0.0%	4.3%	7.5%	13.1%	18.0%	26.6%
9	5%	US Low Volatility (SPLV)	-0.5%	-0.3%	3.5%	-2.9%	3.3%	3.5%	9.7%
10	0%	Cash (SGOV)	0.1%	0.1%	1.0%	1.9%	2.8%	3.8%	8.6%

INVESTMENT STRATEGIES:
THE GLOBAL INDEX TIMING MODEL

TOP Index Model Move: HOLD US Small-caps (IWM)

THIS WEEK: 2nd MIXED-Risk week in a row.
US Stocks FLAT, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN

The Global Index Model *HOLDS US Small-caps (IWM) 7/13/2026.*

Equities are still the best place to be, beating cash, bonds, and gold, but which equities? The index model alternative over the last six months per CI is US Small-caps (IWM), but its technical and PMO scores continue to lag. Moreover, there has been a 4-week rotation from US (dollar-based) assets into foreign assets and gold. US large-caps have the highest Technical Strength (TS) due to technology, but the best index PMO among those more attractive than cash is Emerging Markets (EEM). Incumbent #1 US small-caps are still technically bullish with a positive PMO but have eroded over the last 3 weeks due to growing worries about a September Fed rate hike. A Fed rate hike would help the Dollar and pressure US equities, especially small caps. Next week's consumer price inflation report will help clarify the fed's next move.

Best Alternative: Emerging Markets (EEM), Developed Markets (EFA) and gold (GLD) are benefitting from US government currency interventions these days. It remains to be seen how permanent their impact may be.

Volatility Alert: IWM has an unfilled downside gap (249-259) from April 8.

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. *stop-loss, **buy-stop, ***note

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	80%	US Small-caps (IWM)	61%	bullish	48.2	0.16	positive	deteriorating
2	77%	Emerging Markets (EEM)	77%	bullish	62.4	1.01	positive	improving
3	56%	US Large-caps (SPY)	96%	very bullish	55.6	0.75	positive	deteriorating
4	52%	Developed Markets (EFA)	88%	very bullish	57.7	0.90	positive	deteriorating
5	13%	Short US Income (SGOV)	91%	very bullish	65.6	0.15	positive	improving
6	-20%	Gold Bullion (GLD)	43%	neutral	52.4	1.92	positive	deteriorating
7	-47%	Very Long US Bonds (EDV)	6%	very bearish	49.1	-0.57	negative	improving

Performance-wise, EEM holds year-to-date 26, 39 and 52-week honors this week, but incumbent IWM is a close second. The last quarter has been volatile, with Foreign equities currently besting US equities due to a weaker Dollar from tariffs and from FedSpeak. US small caps show occasional rotational strength domestically.

	YTD	FUND	09/04/26	08/28/26	13wk	26wk	39wk	52wk
1	25.6%	Emerging Markets (EEM)	**2.3%**	0.0%	-1.2%	**21.4%**	**29.1%**	**37.8%**
2	20.3%	US Small-caps (IWM)	0.1%	-1.4%	3.1%	20.2%	19.5%	25.6%
3	12.9%	US Large-caps (SPY)	0.1%	0.5%	2.4%	16.3%	13.6%	20.1%
4	12.8%	Developed Markets (EFA)	0.6%	-0.5%	**5.7%**	14.5%	17.2%	21.6%
5	2.6%	Gold Bullion (GLD)	-0.5%	-3.4%	-0.3%	-12.9%	5.1%	21.5%
6	0.1%	Short US Income (SGOV)	0.1%	0.1%	1.0%	1.8%	2.8%	3.8%
7	-7.3%	Very Long US Bonds (EDV)	-0.6%	**1.9%**	-4.2%	-5.3%	-7.7%	-7.8%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	**24.0%**	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	**5.1%**	9.0%
Aggressive G&I (AOA)	11.0%	19.3%	11.5%	**15.6%**	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	4.4%	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 US Small-caps (Fund S)

THIS WEEK: 2nd MIXED-Risk week in a row.
US Stocks FLAT, Foreign Stocks MIXED, Bonds DOWN and Gold DOWN

This week: The TSP Model *holds US Small-caps (Fund S) since* 7/2/26 @117.55.)

A 4-week decline in the Dollar put Fund I (International) on top among TSP assets in overall confidence, technical strength and positive, improving PMO last week. Hawkish Fed-speak out of Jackson Hole, however, revived the buck last week, favoring US assets and buying incumbent Fund S (Small-caps) a few more days in the model's top slot. Incumbent #1 US small-caps are still technically bullish with a positive PMO but have eroded over the last 3 weeks due to growing worries about a September Fed rate hike. This week those worries faded after dovish Fed-speak from Governor Waller. A Fed rate hike would help the Dollar and pressure US equities, especially small caps. A delay could mean a rebound in US equities. Next week's consumer price inflation report will help clarify the Fed's next move.

Best Alternative: Fund (I) is currently benefitting from US programs to support the Yen and buy-down US debt, both weakening the Dollar, but the risk of a near-term rate hike (that would boost the greenback) is up.

OVERALL, aggressive Lifetime Portfolios are outperforming TSP timing and the more moderate B&H portfolios.

	CI%	Fund	ROC	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**International Fund (I)**	**12%**	93%	very bullish	61.8	**1.03**	**positive**	deteriorating
2	82%	Lifetime 2060	10%	89%	very bullish	57.3	0.78	positive	deteriorating
3	80%	US Small-caps (S)	7%	81%	very bullish	49.8	0.32	positive	deteriorating
4	71%	US Large-caps (C)	10%	**96%**	**very bullish**	55.8	0.75	positive	deteriorating
5	67%	Lifetime 2050	8%	89%	very bullish	57.3	0.66	positive	deteriorating
6	59%	Lifetime 2040	7%	89%	very bullish	57.6	0.60	positive	deteriorating
7	46%	Lifetime 2030	6%	88%	very bullish	58.4	0.50	positive	deteriorating
8	25%	Long-term Inc (L)	3%	90%	very bullish	61.0	0.34	positive	deteriorating
9	4%	Short-term Inc (G)	1%	101%	very bullish	100.0	0.18	positive	improving
10	-17%	Fixed Income (F)	-3%	1%	very bearish	46.5	-0.07	negative	deteriorating

TSP Lifetime & Index Funds: Performance Progression

US equities are gaining traction. Fund S leads over 13 weeks and Fund C leads over 26. International Fund (I) still leads YTD, over 39 and 52 weeks and over 3Y. European and Japanese rate hikes in June put Fund I performance at risk and generated a stop-loss. Another round of ECB and BoJ rate hikes is expected within 10 days. Fund I, however, has recently benefitted from US programs to support the Yen and buy-down US debt weakening the Dollar. US monetary policy is a toss-up at this point, awaiting next week's CPI inflation report.

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	**International Fund (I)**	**0.7%**	-0.1%	**3.8%**	8.3%	**27.0%**	**29.3%**	**20.2%**	**51.2%**
2	US Small-caps (S)	0.2%	-1.3%	**3.8%**	**12.7%**	20.2%	17.7%	16.7%	42.7%
3	Lifetime 2060	0.3%	0.0%	3.4%	11.1%	20.3%	22.9%	16.2%	46.0%
4	Lifetime 2050	0.3%	0.1%	2.9%	9.3%	17.0%	19.3%	13.7%	38.8%
5	US Large-caps (C)	0.1%	**0.5%**	3.0%	**12.7%**	16.2%	20.2%	13.6%	43.3%
6	Lifetime 2040	0.3%	0.1%	2.7%	8.5%	15.3%	17.4%	12.4%	34.9%
7	Lifetime 2030	0.2%	0.1%	2.4%	7.0%	12.6%	14.5%	10.2%	29.7%
8	Long-term Inc (L)	0.2%	0.1%	1.8%	4.7%	7.9%	9.2%	6.6%	18.4%
9	Short-term Inc (G)	0.1%	0.1%	1.3%	2.4%	3.5%	4.4%	3.0%	9.1%
10	Fixed Income (F)	-0.2%	0.1%	-0.4%	-1.7%	-0.3%	0.5%	-0.2%	4.1%

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**16.2%**	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	13.7%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	12.4%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
TSP Moose	10.2%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2030	10.2%	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

AUGUST JOBS IMPRESS

Economists had forecasted a gain of 53,000 jobs in August, and the Bureau of Labor Statistics came in with 162,000 or three times the consensus estimate. The unemployment rate (+4.1%) was in line with prior but beat consensus. Average workweek (34.4) was unchanged, but average Hourly Earnings (+0.3%) beat consensus and prior. The August total also came in above the average monthly gain of 31,000 over the prior 12 months, according to the BLS.

Revisions to prior months added to the positive picture: June payrolls were revised up by 11,000 to 31,000, and July was revised to a gain of 21,000 from an initially reported loss of 23,000, putting combined employment in those two months 55,000 higher than previously reported.

It was enough to make a BLS cynic wonder if Joe Biden was back in the White House. (Biden's BLS infamously exaggerated new jobs by a million or so in the year leading up to the '24 election, but the even bigger mistake was that the fakery came out before the vote.) Last week, BLS lowered US job estimates again but by a more respectable 79K for Trump's first year, the 12 months through March 2026.

Food services and drinking places led job creation in August, adding 59,000 positions — well above the sector's 12-month average monthly gain of 12,000. Local government education added 42,000 jobs, largely offsetting a decrease in the prior month. Manufacturing continued a recent upward trend, adding 16,000 jobs, with gains in machinery manufacturing and fabricated metal products. Health care added 13,000 jobs, though at a slower pace than its 12-month average of 32,000 per month.

The information industry was the month's notable weak spot, shedding 23,000 jobs. Losses were spread across computing infrastructure and data processing, publishing, and broadcasting and content providers. Average hourly earnings for private nonfarm payroll employees rose 10 cents, or 0.3 percent, to $37.75 in August. Over the past year, wages are up 3.1 percent. The average workweek edged up 0.1 hour to 34.4 hours.

On the household survey side, the labor force participation rate edged up to 61.6 percent, though it remains 0.5 percentage point below its January level. The number of people working part time for economic reasons fell by 414,000 to 4.4 million.

The focus now shifts to the upcoming CPI inflation figures ahead of the Fed's interest rate decision in less than two weeks. The jobs data seemed to reinforce what top Fed policymakers have been saying about the health of the labor market and a US economy at 'full employment". Rate cuts are not a consideration. Rate hikes may be, given Iranian oil pressures, but that is a supply-side inflation issue ill-suited to monetary policy that primarily acts on demand.