MOOSECALLS

Global Financial News & Analysis

NOV14.2025 through NOV16.2025

EXECUTIVE SUMMARY: NOV14, 2025

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

GLOBAL MARKETS: WEEK'S ACTION— MIXED-Risk (1)

THIS WEEK was the 1st MIXED-Risk week after one Risk-OFF: US Stocks MIXED, Foreign Stocks MIXED, Bonds DOWN, and Gold UP.

Pivoting-on-the-Pivot

Three months ago, the Fed pivoted from inflation worries to job concerns and began easing US interest rates. After two meetings the chairman decided to pivot-on-the-pivot and snatch away the December punch bowl. This week two voting Fed Presidents joined Chairman Powell in opposing an expected December rate cut. Global markets have been down since the Fed's last meeting but this week the negativity faded, at least abroad. Europe (+1.5%), Latin America (+0.9%), Japan (+0.8%) and Asia Pacific (+0.6%) all enjoyed gains, thanks in part to a weaker Dollar (-0.2%). The weaker Dollar also helped hard assets like gold (+2.1%), the commodity index (+0.5%) and oil (+0.2%). US markets were not so sanguine. US, large-caps (+0.1%) were flat, but small-caps (-1.7%) continued to get hit hard, as did US long Treasury bonds (-1.2%). No model switches.

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

INFLATION: No inflation news this week. Gold recovered 2% of a 10% correction from overbought levels.

US ECONOMIC DATA: Non-existent. Small business optimism down. Latest Q3 GDP Now (+4.0%) above post-war trend. Latest recession probability (10/2026) down and still negligible. Next week: Federal data unavailable until government reopens.

FEDERAL RESERVE: Fed Posture will become less dovish when the Fed stops rolling bonds off its balance sheet December 1. The Fed's balance sheet stands at $6.57 trillion, with the Fed Funds Rate cut to 3.75-4.00%. The Fed Check is neutral (steady rate policy warranted globally). The next 25 bps Fed rate cut (likelihood >50-50) is expected next week (67%).

INVESTMENT STRATEGIES: The Index Model is outperforming all competitors in 2025. It switched back into gold (GLD) from EFA via buy-stop on August 28. It has recently endured a 10% correction but has not triggered a stop-loss. The US Equity Strategy (USES) Model holds Growth (IUSG), as US stocks play catch up with foreign equities due to tariffs and a tight Fed. The Thrift Savings Plan (TSP) Model is lagging the most aggressive balanced portfolios. It HOLDS large cap US equities (Fund C) as of 11/7/25.

GLOBAL OUTLOOK: NEUTRAL (2 of 4)

Indications are neutral for the global economy.

An international shipping measure and proxy for current global trade, **The Baltic Dry Index rose to 2125 this week, and is higher after 13 weeks, a positive**. (BDI is still well below its 2010 peak @4640.)
Meanwhile, another proxy for world activity, **WTI oil price at 60.09 rose this week, and is lower for the latest quarter, a negative**. (Oil remains below its 2022 peak @$130, but well above its 2020 Covid lows @$10.)
Our proxy for global construction**, Copper rose to 5.06 this week, and remains higher this quarter, a positive**.
Domestically, **10Y US bond yields rose to 4.15% this week and are down over the past 13 weeks, a negative** bet on the largest world economy

IMF World Economic Outlook (OCT 2025)—

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

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

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

GLOBAL RANKING: GOLD AND EMERGING EQUITIES ON TOP

Index Moose ETF Rankings through NOV23.2025

This week: Gold (GLD) leads in global momentum. The free Index model HOLDS #1 GLD via buy-stop 8/28/25. *Assets are ranked by CI, the "confidence index". It combines the relative strength (rank), and technical strength (TS). The Trend is based on the TS reading. *Overbought*

RANK	CI%	FUND	TS+	READ	RSI	PMO	Condition
1	**100%**	**Gold Bullion (GLD)**	**113%**	**very bullish**	**54.0**	**2.24**	**deteriorating**
2	81%	Latin America (ILF)	116%	very bullish	65.4	2.63	improving
3	80%	Asia Pacific ex-Japan (AAXJ)	99%	very bullish	51.0	1.28	deteriorating
4	64%	US Large-caps (SPY)	96%	very bullish	48.3	0.82	deteriorating
5	62%	US Small-caps (IWM)	88%	very bullish	41.1	0.23	deteriorating
6	58%	Japan (EWJ)	106%	very bullish	58.4	1.18	deteriorating
7	38%	Europe (IEV)	103%	very bullish	54.1	0.70	improving
8	9%	Short US Income (SGOV)	88%	very bullish	-	0.16	deteriorating
9	-3%	Very Long US Bonds (EDV)	89%	very bullish	40.1	0.37	deteriorating
		Ryan/CRB Indicator	101%	no change			
		ST Interest Rate Equity Indicator	-55%	bearish			
		Volatility Index	0%	neutral			
		US Dollar Index	35%	slightly bullish			
		Commodity inflation trend	95%	neutral			
		Oil	-50%	bearish			

Global Economy through NOV23.2025

GLOBAL RANKING: TECHNICAL OVERVIEW

#1 GOLD Cuts Into Correction
Gold bullion's price is very bullish and ranked **1** globally, more attractive than cash. GLD rose 2.1% this week, following last week's 0.1% gain. That leaves GLD up 22.3% for the quarter (13 weeks), and up 58.9% for the year (52 weeks).

#2 LATIN AMERICA's 5-week Peak Fills
Latin American equities (ILF) are very bullish and ranked **2** globally, more attractive than cash. GLD rose 0.9% this week, following last week's 2.8% gain. That leaves GLD up 16.9% for the quarter (13 weeks), and up 26.7% for the year (52 weeks).

#3 ASIA-PACIFIC Bounces Off Support
Asia-Pacific ex-Japan equities (AAXJ) are very bullish and ranked **3** globally and less attractive than cash. AAXJ rose 0.6% this week, following last week's 1.5% loss. That leaves AAXJ up 9.3% for the quarter (13 weeks), and up 27.9% for the year (52 weeks).

#4 US LARGE-CAPS Back Higher
US large-cap stocks (SPY) are very bullish and ranked **4** globally, less attractive than cash. SPY rose 0.1% this week, following last week's 1.6% loss. That leaves SPY up 4.4% for the quarter (13 weeks), and up 14.7% for the year (52 weeks). **GROWTH** is the top US equity strategy. US equity sector breadth is positive but slightly more bearish. **Top "Buys"** include Semiconductors, Bitcoin, Gold Miners, Technology, Defense, Oil Services. **Top "Avoids"**: Food and Beverage, Staples, Insurance, Healthcare Providers.

#5 US SMALL-CAPS Trigger Stop-Loss
US small-cap stocks (IWM) are very bullish and ranked **5** globally, less attractive than cash. IWM fell 1.7% this week, following last week's 1.9% loss. That leaves IWM up 4.6% for the quarter (13 weeks), and up 3.9% for the year (52 weeks).

#6 JAPAN Edges Higher
Japanese stock prices (EWJ) are very bullish and ranked **6** globally, less attractive than cash. IEV rose 0.8% this week, following last week's 0.2% loss. That leaves EWJ up 4.8% for the quarter (13 weeks), and up 24.4% for the year (52 weeks).

#7 EUROPE: 3 Gaps Up, 2 Filled
European equities (IEV) are very bullish and ranked **7** globally, less attractive than cash. IEV rose 1.5% this week, following last week's 0.2% loss. That leaves IEV up 3.5% for the quarter (13 weeks), and up 26.2% for the year (52 weeks).

#8 CASH and 10Y T Yields Higher—
Cash is ranked 8th in the index model. The US Treasury 10-year yield finished the week 6 ticks higher at 4.15% and the 3-month yield was up 3 ticks at 3.79%, leaving the yield curve steeper and still positively sloped at 36 basis points.

#9 BONDS Break Below Support
US Long-zeros 25y+ are very bullish and ranked **9** globally, but less attractive than cash. EDV fell 1.2% this week, following last week's 1.0% loss. That leaves long bonds up 4.4% for the quarter (13 weeks) and down 4.5% for the year (52 weeks).

COMMODITY AND OIL Prices Up Fractionally
A bullish CRB rose 0.5% this week after last week's 0.5% loss. That left commodity prices up 2.3% for the quarter (13 weeks), and up 8.1% for the year (52 weeks). A bearish oil price (USO) rose 0.2% this week, following last week's 1.8% loss. That leaves US oil prices down 2.0% for the quarter (13 weeks), and up 2.3% for the year (52 weeks).

Bullish Dollar Trickles Lower
A slightly bullish US Dollar fell 0.2% this week, following last week's 0.2% loss. That leaves it up 2.8% for the quarter (13 weeks), and down 6.5% in the last year (52 weeks).

US ECONOMY: GOV'T DATA

Small Business Optimism Down

US Economy:
week of
NOV14.2025

THIS WEEK: (GOVT DATA STILL UNAVAILABLE)

THE GOOD: WEEKLY **EIA Crude Oil Inventories** (+6.41M) build increases as oil prices rise fractionally.

THE BAD: OCT **Small Business Optimism** (98.2) below consensus and prior.

THE UGLY: Nothing

US ECONOMY: INFLATION DATA

OCT CPI & PPI DELAYED

US Inflation:
week of
NOV14.2025

AUG PCE (+0.3%) up inline. (1yr: 2.7%)
AUG Core PCE (+0.2%) up inline (1yr: 2.9%)
Q2 GDP – E3: (+3.8%) revised substantially higher.
Q2 GDP Deflator – E3: (+2.1%) revised higher.
Q2 Current Account Balance: (-$251.3B) below forecasts and prior.

SEP CPI (+0.3%) below prior (1 yr= +3.0%)
SEP Core CPI (+0.2%) cooler than prior. (1 yr= +3.0%)
AUG PPI (-0.1%) cooler. (1 yr= +2.6%)
AUG Core PPI (-0.1%) cooler. (1 yr= +2.8%)
AUG Import Prices (+0.3%) warmer (1yr= +0.0%)
AUG Export Prices (+0.3%) warmer (1yr= +3.4%)

Q2 Employment Cost Index (+0.9%) in line with prior estimate.
Q2 Productivity-Rev. (3.3%) revised higher beating consensus and previous.
Q2 Unit Labor Costs – Rev (+1.0%) revised weaker than consensus and previous.

US ECONOMY: RECESSION & GDP INDICATORS

NY FED: RECEDING MINIMAL RECESSION THREAT

US recession chances one year out: 26.51% (OCT 2026) per NY Fed. (Recession expected if chance > 30%.) As of May 2025, the Fed model's chance of recession fell below 30%, the threshold signaling a recession one year out. It remains there. The risk of recession was the highest in 40 years in May 2024, but it was avoided amid three years of massive Federal deficit spending and historic data falsification at the Bureau of Labor Statistics. The official responsible for providing the erroneous jobs data was fired (8/3/25).

ATLANTA FED: US Q3 GDP NOW Above Trend At 4.0%

Atlanta Fed Current GDP Model (11/6/2025): **Q3 Annualized +4.0% (Last week: Q3 Annualized +3.9%)**

US ECONOMY: FEDERAL RESERVE
FED BALANCE SHEET ($6.58T); FFR @ (3.75-4.00%)

Federal Reserve: week of NOV14.2025

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

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

Currently, the Fed's balance sheet is 6.58T, UP (0.008T) in the latest week (NOV12, 2025). The Fed Funds Rate was lowered 25 BPS to 3.75-4.00% at the OCT29 FOMC meeting. The next FOMC meeting is DEC10.

The Fed Check at 101% suggests global commodity inflation requires no change in the Fed overnight rate. The US 2-Year yield at 3.61%, however, is 26 bps LOWER than the Fed overnight rate (3.87%), implying US domestic conditions merit at least one more Fed rate cut.

CME Fed futures have been 100% sure that there will be no Fed rate hikes this year since January. After Fed chair Powell's hawkish comments following the 10/29/2025 FOMC meeting, futures are only 44% sure that a third Fed rate cut is coming in December, down from 91% certainty before his comments.

The 3m-10y yield curve steepened this week, going from a positive slope of 34 bps to one of 36 bps, as the 10-year US Treasury yield rose 5 bpt to 4.15%, and the 3-month cash yield rose 3 ticks to 3.79%. Intermediate term, the curve was inverted from 11/22 through 12/24 but has been positive since. The median yield is still falling, leaving our interest rate signal for stocks bearish.

3-month SOFR yield at **4.00%** is **up** this week, while the 3-month T-bill at **3.79%** is **up**. That puts the SOFR/T-Bill (SOF-T) spread at **21** basis points, above its 200-day (19 bps). A rising SOFR spread signals **a riskier, less confident financial system**.

FED OVERALL THIS WEEK: NEUTRAL (0) LW: DOVISH (+1)
Rate Posture: (Cutting) DOVISH (+1),
Balance Sheet (Steady) NEUTRAL, (0),
Fed Speak HAWKISH (-1),
Fed Check NEUTRAL (0)

Latest FOMC Assessment (2025.10.29) Available indicators suggest that economic activity has been expanding at a moderate pace. Job gains have slowed this year, and the unemployment rate has edged up but remained low through August; more recent indicators are consistent with these developments. Inflation has moved up since earlier in the year and remains somewhat elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate and judges that downside risks to employment rose in recent months. In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point to 3-3/4 to 4 percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee decided to conclude the reduction of its aggregate securities holdings on December 1. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. **(Next FOMC meeting: 2025.12.10)**

US Currency Market:
Bullish Dollar Trickles Lower

US Dollar: UUP fell 0.2% this week, following last week's 0.2% loss. It is currently slightly bullish—up 2.8% for the quarter (13 weeks), but down 6.5% in the last year (52 weeks). At 28, UUP is above its short-term (50-day) average at 28, and above its intermediate-term (200-day) average at 28. Momentum in the greenback is deteriorating, but RSI14 at 61 is neither overbought nor oversold. A Dollar weakened this week, dampening US assets over foreign assets, commodities, and gold. Longer term, the bullish Dollar favors US investments over foreign assets and commodities, while reducing US trade competitiveness.

The Dollar (UUP) finished lower in an up-and-down market this week as the record-setting Federal shut-down ended after 39 days. (Dollar price momentum is still positive but now fading.) Despite Dollar weakness, interest rates were up as inflation fears increased. Cleveland Fed Nowcast estimates October y-o-y CPI to be 2.96% and core CPI to be 2.99%. Elsewhere, Europe and Japan still have significantly easier monetary policies, helping the Dollar, while US tariffs dampen our economic performance and weaken it. As for other major currencies vs the Dollar: The Euro is neutral, and up 0.5% this week. The Yen is very bearish, and down 0.7%. The Pound is slightly bearish, and up 0.1%. The Canadian $ is slightly bearish, and up 0.0%. The Australian $ is slightly bullish, and up 0.6%.

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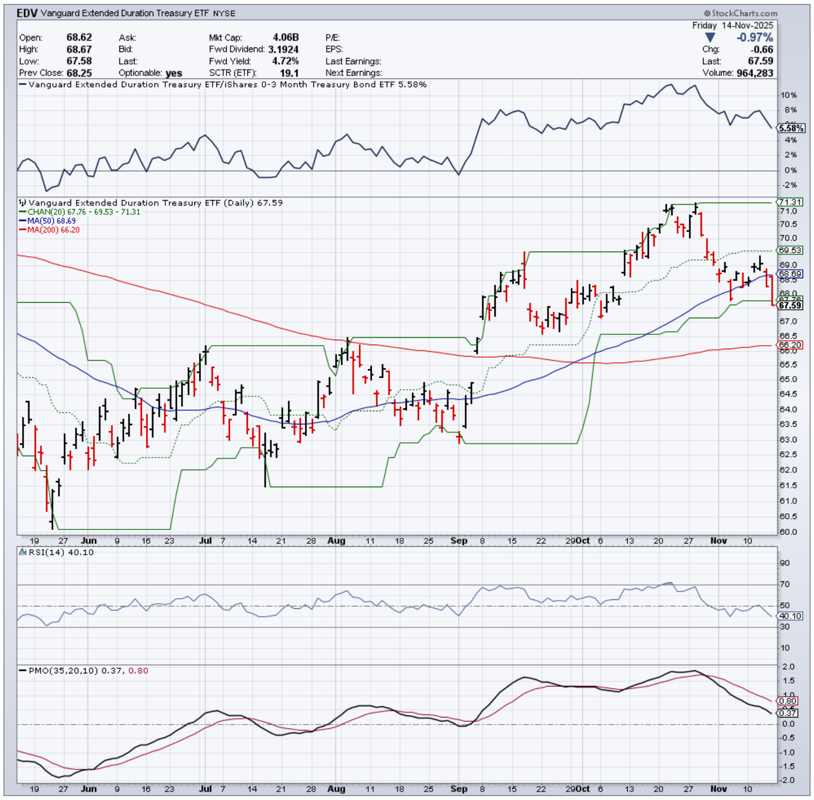
Carry-trade This Week

Non-Dollar investors seeking to maximize profits using the Moose should incorporate a "carry-trade" currency strategy into the decision, making it a two-step process. First, decide if it makes sense to switch to US Dollars, then use the Moose to identify the best ETF in which to put them. (Generally, if one's currency is weakening (bearish) against the Dollar, non-Dollar investors in the Moose will outperform. If a currency is bullish vs. the Dollar, the Dollar investment will underperform. If the Dollar is weakening, Dollar investors in the Moose might consider currency-hedged foreign equity ETFs instead of the Dollar denominated funds we track. A strengthening Dollar, however, suggests they be avoided.

	TS	Trend	Non-Dollar investors in $ Moose	US $ investors in Foreign Assets
Euro	18%	neutral	Euro investors match	US$ investors (IEV=HEDJ)
Yen	-75%	very bearish	Yen investors outperform	US$ investors (DXJ>EWJ)
Australian $	38%	slightly bullish	Aussie $ investors underperform	US$ Investors outperform in A$
British Pound	-30%	slightly bearish	Sterling investors outperform	US$ investors match in Pound
Canadian $	-25%	slightly bearish	Canadian $ outperform	US$ investors match in C$

US Bond Market:
#9 BONDS Break Below Support



US Long Treasury Bonds: EDV fell 1.2% this week, following last week's 1.0% loss, leaving it ranked #9 globally and less attractive than cash. Long bonds are up 4.4% for the quarter (13 weeks) but down 4.5% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield finished the week 5 ticks higher at 4.15%, and the 3-month yield was higher at 3.79%, leaving the yield curve positively sloped 36 basis points. That reduces the odds of a recession in late 2025. Technically, US long bonds are very bullish, and at 68, EDV is below its short-term (50-day) average at 69, and above its intermediate-term (200-day) average at 67. Momentum (PMO) is positive, and its 14-day RSI of 40.1 means EDV is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US bonds. Longer term, bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

Bonds triggered a buy-stop the day before the FOMC rate cut (10/29) but decisively retreated after, triggering a stop-loss this week (11/14). The latest bond retreat comes on the heels of Fed chair Powell's admission that a third rate cut in December is not set in stone. No fewer than three Fed governors have since mirrored Powell's new take. (It reverses the bond rally that took off in late August when Powell pivoted to advocate three rate cuts before year-end.) Meanwhile, the record-setting Federal government shut-down finally ended this week after 39 days. Over the last three weeks, with the Fed newly hawkish, bond prices are lower, a bet on economic strength as private cap-ex spending expands under the 2025 tax legislation. After this week's retracement, EDV is no longer above its 50-day (and bearish short term) for the first time since the August rate cut announcements. Momentum is positive but deteriorating, suggesting some economic weakness is expected, but inflation worries are picking up. The overnight Fed Funds rate (3.87%) is finally lower than the 10-year Treasury yield (4.15%), but still higher than the 2-year yield (3.61%) suggesting the Fed should provide at least another 25 basis-point Fed rate cut (44%) at the next Fed meeting (12/10).

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 LARGE-CAPS Back Higher

US Large-Cap Stocks: SPY rose 0.1% this week, following last week's 1.6% loss, leaving it ranked #4 globally and less attractive than cash. The index is up 4.4% for the quarter (13 weeks) and up 14.7% for the year (52 weeks). Technically, US large caps are very bullish, and at 672, SPY is above its short-term (50-day) average at 668, and above its intermediate-term (200-day) average at 613. Its momentum (PMO) is positive, and its 14-day RSI of 41.1 means SPY is neither overbought nor oversold. As for currency effects, The Dollar weakened this week, dampening return for dollar investors in US stocks. Longer term, bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

Despite extended valuations, SPY has had unwavering short-term support for over six months. The index backed off its peak after the last rate cut (10/29), and this Friday, it was tested again but held. Fed chairman Powell's hawkish attempt to pull away the December punchbowl since his FOMC presser has driven the uncertainty. Meanwhile, SPY is up 19% in six months, and large cap momentum remains positive but deteriorating. The uncertainties regarding the Federal shutdown, taxation, fiscal spending, and the debt ceiling are behind us, and the Federal deficit remains bullishly large, although tariffs are reducing it slightly. Relatively high interest rates and self-inflicted taxes on imports kept US stocks from overtaking foreign equity competition earlier this year. US equities were beginning to outperform their offshore counterparts going into the last Fed meeting as US rates came down and as legal issues over tariffs come to a head. That has slowed since, pending the December Fed decision.

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 SMALL-CAPS Trigger Stop-Loss

US Small-Cap Stocks IWM fell 1.7% this week, following last week's 1.9% loss, leaving it ranked #5 globally and less attractive than cash. The index is up 4.6% for the quarter (13 weeks) and up 3.9% for the year (52 weeks). Technically, US small caps are very bullish, and at 237, IWM is below its short-term (50-day) average at 242, and above its intermediate-term (200-day) average at 219. Its momentum (PMO) is positive, and its 14-day RSI of 48.3 means IWM is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, dampening return for dollar investors in US assets. Longer term, bullish Dollar spurs investment in US assets, while reducing US trade competitiveness.

A six-month small-cap rally backed off its peak after the last rate cut (10/29), and this week a deeper retreat followed, triggering a stop-loss. Fed chairman Powell's hawkish attempt to pull away the December punchbowl since his FOMC presser is driving the uncertainty. IWM is still up 19% in six months, but small companies with less access to capital benefit disproportionately from interest rate cuts and they take it harder when those cuts could disappear. Small cap momentum remains positive but deteriorating after two rate cuts. The uncertainties regarding taxation, fiscal spending, the debt ceiling, and the 39-week shut-down are legislated away, and the Federal deficit remains bullishly large, although tariffs are reducing it slightly. Relatively high interest rates and self-inflicted taxes on imports kept US stocks from overtaking foreign equity competition earlier this year. US equities were beginning to outperform their offshore counterparts going into the last Fed meeting as US rates came down and as legal issues over tariffs come to a head. That has slowed since, pending the December Fed decision.

ETF Breakdown: IWM-- A cap-weighted index fund. **Countries:** US (99%). **Top Sectors:** Finance (22%), Health Technology (12%), Technology Services (12%), Producer manufacturing (8%), Electronic Technology (7%), Industrial Services (4%), Energy Minerals (4%), Commercial services (4%), Consumer services (3%), Process industries (3%).

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US Equity Market Top 5 Sectors:
Semiconductors, Bitcoin, Gold Miners, Technology, Biotech

The table below ranks our 25 primary US sector ETFs in order of relative strength at the close of the latest week. Momentum investors may consider those ranked higher than cash bullish (**buy** or **hold**), and those ranked below cash bearish (**sell or avoid**). Value investors may feel the opposite.

This week's US equity sector breadth is positive but narrower than last week -- 74% of our sectors are buy or hold (L82%) with BUYS now 26% (L30%) and HOLDS now 48% (L56%). AVOIDS are currently 26% (L18%). Potential "Buys" include Bitcoin, Gold Miners, Semiconductors, Technology, Defense, Telecom and Internet. Potential "Avoids": Healthcare Providers, Insurance, Staples, Food and Beverage.

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Bitcoin (BLOK)	67%	65%	bullish	33.23	-0.75	negative	deteriorating
82%	Gold Miners (GDX)	67%	116%	very bullish	54.42	2.16	positive	improving
82%	Semiconductors (SMH)	69%	102%	very bullish	48.18	2.76	positive	deteriorating
55%	US Technology (IYW)	44%	96%	very bullish	46.69	1.43	positive	deteriorating
43%	US Aerospace & Defense (PPA)	31%	82%	very bullish	39.11	0.26	positive	deteriorating
30%	Telecommunications (FCOM)	24%	70%	bullish	38.83	-0.15	negative	deteriorating
28%	DJ Internet Index (FDN)	23%	48%	neutral	38.35	-0.46	negative	deteriorating
26%	**S&P 500 (SPY)**	**22%**	**96%**	**very bullish**	**48.27**	**0.82**	**positive**	**deteriorating**
25%	Biotechnology (IBB)	28%	118%	very bullish	70.24	3.11	positive	improving
23%	Retail (XRT)	16%	45%	neutral	39.81	-1.43	negative	deteriorating
22%	Media Portfolio (XLC)	18%	62%	bullish	37.52	-0.46	negative	deteriorating
21%	Software (XSW)	17%	40%	neutral	35.56	-0.84	negative	deteriorating
21%	Industrials (XLI)	18%	83%	very bullish	43.75	0.20	positive	deteriorating
19%	Utilities (XLU)	13%	95%	very bullish	45.28	0.62	positive	deteriorating
19%	Capital Markets (KCE)	18%	28%	bearish	40.61	-0.96	negative	improving
12%	Transports (IYT)	14%	101%	very bullish	48.55	0.44	positive	improving
11%	US Pharmaceuticals (IHE)	16%	115%	very bullish	76.15	2.58	positive	improving
10%	KB Banks (KBE)	12%	43%	neutral	47.49	-0.54	negative	improving
8%	Home Construction (XHB)	8%	53%	neutral	37.16	-1.30	negative	deteriorating
6%	US Oil Equipment & Services (IEZ)	10%	108%	very bullish	58.41	2.67	positive	improving
1%	US Medical Devices (IHI)	4%	75%	bullish	57.75	0.78	positive	improving
0%	**CASH**	**0%**	**101%**	**very bullish**	**60.72**	**0.14**	**positive**	**improving**
-1%	REITs (VNQ)	1%	63%	bullish	46.15	-0.18	negative	deteriorating
-1%	Select Materials (XLB)	2%	31%	bearish	46.21	-0.81	negative	improving
-4%	Oil/Gas Explore & Produce (XOP)	5%	87%	very bullish	61.08	0.56	positive	improving
-7%	Food & Beverage (PBJ)	-6%	7%	very bearish	46.84	-1.47	negative	improving
-7%	Consumer Staples (XLP)	-6%	13%	very bearish	47.46	-0.77	negative	improving
-10%	KBW Insurance (IAK)	-4%	67%	bullish	64.91	0.15	positive	improving
-11%	US Health Care Providers (IHF)	-11%	54%	neutral	39.67	-0.24	negative	deteriorating

INTERNATIONAL MARKETS:
#1 GOLD Cuts Into Correction

Gold Bullion: GLD's price rose 2.1% this week, following last week's 0.1% gain, leaving it ranked 1 globally and more attractive than cash. Most recently GLD is up 22.3% for the quarter (13 weeks), and up 58.9% for the year (52 weeks). Technically, Gold bullion (GLD) is currently very bullish and at 376 above its short-term (50-day) average at 363, and above its intermediate-term (200-day) average at 315. Its momentum (PMO) is positive, and its 14-day RSI of 54.0 means GLD is neither overbought nor oversold. As for currency effects, the US Dollar weakened this week, improving return for dollar investors in gold bullion. Longer term, a bullish Dollar dampens return to Dollar investors in gold.

GLD got an immediate rate cut (98%) at the 10/29 Fed meeting as expected but could not avoid the overbought (10%) correction that had already ensued. (That chairman Powell has initiated a concerted attempt to pull away the December punchbowl since his presser has driven the uncertainty.) GLD shows no signs of a meltdown at this point, making for a possible buying-the dip opportunity. On the bearish side, a bullish US Dollar medium-term is a drag on gold but that will change in a heartbeat with a third rate cut or rumors of it. Bullish indications for gold include ongoing central bank purchases, Chinese consumer buying, latent inflation fears, a sense of major disruption in the way the US government is doing things, a large persistent US deficit, and geopolitical tension. Traditional threats to bullion are not in evidence. Neither global recession (as evidenced by a very bullish bond market and falling yields) nor a severe equity market panic (evidenced by margin calls that require investors to sell their best performers to cover) is in evidence.

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INTERNATIONAL MARKETS:
COMMODITY & OIL Prices Up Fractionally

Commodities: A bullish CRB rose 0.5% this week after last week's 0.5% loss. That left commodity prices up 2.3% for the quarter (13 weeks), and up 8.1% for the year (52 weeks). At 302, the CRB is above its short-term (50-day) average at 300, and above its intermediate-term (200-day) average at 300. Its momentum (PMO) is improving, and its 14-day RSI of 52 means the CRB is neither overbought nor oversold.

Crude Oil: Meanwhile, oil prices (USO) rose 0.2% this week, following last week's 1.8% loss, and are currently bearish. That leaves US oil prices down 2.0% for the quarter (13 weeks), and up 2.3% for the year (52 weeks). At bearish, USO is 71 below its short-term (50-day) average at 69, and 72 below its medium-term (200-day) average at 71. The Dollar weakened this week, enhancing return for investors in hard assets. Longer term, the bullish Dollar is dampening return for investors in commodities and oil.

Commodities and oil are fractionally higher this week, weakened by chairman Powell's hawkish 10/29 admission that the previously anticipated December rate cut was far from a foregone conclusion. Since then, a bullish US Dollar medium-term has been a drag on hard assets, but that will change in a heartbeat with a third rate cut or rumors of it. OPEC still plans a modest output increase to lower oil prices in December but will do away with it in 2026. The end of the summer driving season dropped West Texas Intermediate crude prices into the mid-fifties before the sanctions on Russian oil pushed WTIC back above $60 in October. The Phase 1 peace agreement between Israel and Hamas slow-walking its way toward Phase 2, and warm East Coast weather into November has gotten oil prices back into the 50's. Meanwhile, commodities and bonds are still in global balance, with the Fed Check suggesting a neutral rate stance by the Fed.

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INTERNATIONAL EQUITIES:
#7 EUROPE: 3 Gaps Up, 2 Filled

European Large-Cap Stocks: IEV rose 1.5% this week, following last week's 0.2% loss, leaving them ranked #7 globally and less attractive than cash. Most recently, Europe is up 3.5% for the quarter (13 weeks) and up 26.2% for the year (52 weeks). Technically, IEV is very bullish, and at 67—above its short-term (50-day) average at 66, and above its intermediate-term (200-day) average at 62. Its momentum (PMO) is positive, and its 14-day RSI of 54.1 means IEV is neither overbought nor oversold. As for currency effects, the Euro strengthened this week, enhancing returns. Longer term, a bullish Euro enhances return to Dollar investors, but limits Europe's trade competitiveness.

European equities gapped up on Monday's open, up on Tuesday's open, and gapped down on Friday's open. Despite the fireworks, and two buy-stops later IEV ended the week only an eyelash above where it started. The Fed rate cut did not impress, nor did Fed chair Powell's waffling on the December cut. European equities had early spring momentum compared to other regions, but that advantage faded in summer as EU and UK tariff agreements came into focus. In early August, however, European momentum began to pick up on rumors that the Fed would finally begin cutting rates in Fall, sparking a long-awaited US economic revival. In Britain, the BoE is keeping rates high, cautious about cutting too fast, and monitoring inflation and labor-market dynamics carefully. Meanwhile, the European Central Bank is also cautious but more dovish keeping its benchmark rate steady at 2% compared to the latest 3.875% Fed rate. A strong Euro and European borrowing costs that are half those of the US give the EU a monetary advantage over the US, but it is receding with each US rate cut. (A neutral to slightly bullish Euro vs. Dollar keeps IEV outperforming the hedged version (HEDJ) of European equities.)

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

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INTERNATIONAL EQUITIES:
#6 JAPAN Edges Higher

Japanese Stocks: EWJ rose 0.8% this week, following last week's 0.2% loss, leaving it ranked #6 globally and less attractive than cash. Most recently, Japan is up 4.8% for the quarter (13 weeks) and up 24.4% for the year (52 weeks). Technically, EWJ is very bullish, and at 84, above its short-term (50-day) average at 82, above its intermediate-term (200-day) average at 75. Its momentum (PMO) is positive, and its 14-day RSI of 58.4 means EWJ is neither overbought nor oversold. As for currency effects, the Yen weakened this week, dampening return for dollar investors in Japanese stocks. Longer term, a bearish Yen dampens return to Dollar investors but improves Japan's trade competitiveness.

EWJ posted yet another new buy-stop high Wednesday in the wake of the selection of Japanese PM, Sanae Takeichi. Takaichi's administration is expected to implement expansionary fiscal policies and promote a "high-pressure economy" fostered by continued accommodative monetary policy from the BoJ. Even though Japanese headline inflation is still above the Bank of Japan's 2% target for a third straight year, a long anticipated 25-basis-point rate hike has apparently been pushed back to early 2026, with immediate hikes now unlikely. Meanwhile, the dovish BoJ lending at 0.5% gives Japan and EWJ a significant but shrinking advantage over the US, which has a 3.875% Fed rate. Even so, trading partner joy over last week's Fed rate cut (10/29) was dampened by chairman Powell's attempt to snatch the December punchbowl during his presser. For Dollar investors, a bearish Yen vs. the Dollar makes the hedged version (DXJ) of Japanese equities preferable to EWJ as political momentum turns back toward a traditional weak yen policy.

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

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INTERNATIONAL EQUITIES:
#3 ASIA-PACIFIC Bounces Off Support

Asia-Pacific ex-Japan-- AAXJ rose 0.6% this week, following last week's 1.5% loss, leaving it ranked #3 globally and less attractive than cash. The index is up 9.3% for the quarter (13 weeks) and up 27.9% for the year (52 weeks). Technically, AAXJ is very bullish, and at 94, above its short-term (50-day) average at 92, and above its intermediate-term (200-day) average at 82. Its momentum (PMO) is positive, and its 14-day RSI of 51.0 means AAXJ is neither overbought nor oversold. As for currency effects, the US Dollar weakened this week, improving return for dollar investors in Asian stocks. Longer term, a bullish Dollar dampens return to Dollar investors in Asian stocks but improves the region's trade competitiveness.

Asia-Pacific equities finished slightly higher this week, but the last three weeks have been a struggle since Fed chairman Powell pivoted away from a promised third rate cut and snatched away the December punchbowl. Fed rate cuts and a weak Dollar have boosted Asian stocks over the last six months, but now the Dollar has broken above intermediate term resistance and further US rate cuts, according to the Fed chair, are no longer “a foregone conclusion”. Despite tariffs, equities in Asia have been picking up on the Fed dovishness as the bullish region presses for new highs. Several Asian equity markets are still more attractive than US stocks (VTI +12) including South Korea (EWY +57), Taiwan (EWT +19), and Hong Kong (EWH +20). China (FXI +10) and Singapore (EWS +12) are comparable, while Australia (EWA +3) and India (PIN -2) are lagging due to US tariff issues.

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

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INTERNATIONAL EQUITIES:
#2 LATIN AMERICA's 5-week Peak Fills

Latin America 40: ILF rose 0.9% this week, following last week's 2.8% gain, leaving it ranked #2 globally and more attractive than cash. The index is up 16.9% for the quarter (13 weeks) and up 26.7% for the year (52 weeks). Technically, ILF is very bullish, and at 31, ILF is above its short-term (50-day) average at 29, and above its intermediate-term (200-day) average at 26. Its momentum (PMO) is positive, and its 14-day RSI of 65.4 means ILF is neither overbought nor oversold. As for currency effects, the Dollar weakened this week, enhancing return for dollar investors in Latin stocks. Longer term, a bullish Dollar dampens return to Dollar investors in Latin stocks but improves the region's trade competitiveness. It also makes repaying dollar-denominated debt tougher.

ILF's rebound off its 50-day continued for a 5th week after the Fed cut rates, but two gaps up to open the week were filled to end the week less than 1% higher. The prospect of one more Fed rate cut this year has dimmed, however, after chairman Powell tried to snatch December's punchbowl during his presser. Cheaper US money is good for Latin stocks, and the tariff situation is less of a problem for Latin exporters than it is for US consumers and business. Latin stocks have outperformed their US cousins (VTI +12) for nine months but are fading lately. Colombia (COLO +27) and Brazil (EWZ +17) are strongest. Mexico (EWW +13), and Chile (ECH +9) are comparable, and while Argentina was bearish, new elections last week tossed the lefties and gave capitalism a new lease (ARGT now at -4, up from -18 three weeks ago.) Even Canada (EWC +15) which is not in ILF, but a key player in the hemisphere continues to do well despite facing deadlock over 35% tariffs on the 60% of its exports not covered by USMCA.

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

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Private Sector Strategies—ETFs
Market Timing v. Diversified Buy & Hold: Performance

Strategy	25 YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016
Index Moose	**50.5%**	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%	-6.0%
Aggressive G&I (AOA)	15.9%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%	3.5%
S&P Benchmark	14.6%	24.5%	24.3%	-19.5%						
US Strategy Moose	10.3%	26.1%	12.3%	-7.0%	22.2%	20.9%	23.6%	1.2%	28.5%	-5.6%
Moderate G&I (AOM)	9.8%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%	5.3%

The Index Model is outperforming all competitors in early 2025 after lagging buy-and-hold in 2024.
US Strategy Model outperformed all competitors in 2024 but is slightly behind the S&P in 2025.
For buy and hold investors: Aggressive (AOA) is outperforming more moderate (AOM) diversifications.

The table above is short, but it illustrates several points: (1) Success of any strategy can be highly variable year-to-year. (2) Just because it worked last year doesn't mean it will next year. (3) Buy-and-hold is preferable in a bull market with few lasting or deep corrections amid trendless volatility. (4) When stocks are trending strong, aggressive buy-and-hold is best, but when stocks go bearish it can be a huge loser. (5) To avoid substantial losses, buy-and-hold investors should have a separate exit plan, whereas such plans are implicit in index targeting (a loss-minimization strategy). (6) Market timing is most profitable when there is one predominant asset choice, or in extended bear market scenarios.

The US Equity Strategy (USES) Model
TOP US Equity Strategy: HOLD US GROWTH (IUSG)

In this section: 7 alternative US equity strategies (as represented by the most popular smart-beta ETFs based on volume and capitalization) and 2 global asset allocation strategies are monitored and ranked using our momentum methodology. The 7 US equity strategies include US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, and US equal weight. The 2 global asset allocation strategies are moderate (40% equities / 60% income) and aggressive (80% equities / 20% income). The table below compares the relative strength of each of the 9 strategies to a SPY benchmark and a SHY cash baseline.

THIS YEAR: US Stocks struggled in January, backed off in March, plummeted to a V-bottom in April and rebounded by May. They are bullish but have lagged offshore equities and gold throughout, due to a weaker Dollar caused by US tariffs. Now, with the second rate cut in the books, and possibly one more rate cut to come, US tariffs, and trillions in US federal deficit spending continuing through December (absent recissions), equities and hard assets appear to have solid future prospects.

THIS WEEK: Among US stock strategies, US Growth leads in confidence index, rate of change, and PMO. The USES model thus holds Growth (IUSG) since 9/24/2025. USES model performance continues to lag the S&P in 2025 but is gaining with time.

THIS WEEK was the 1st MIXED-Risk week after one Risk-OFF: US Stocks MIXED, Foreign Stocks MIXED, Bonds DOWN, and Gold UP.

	CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
1	**100%**	**US Growth (IUSG)**	**32%**	**95%**	**very bullish**	**45.7**	**0.86**	**positive**	**deteriorating**
2	79%	US Momentum (MTUM)	24%	66%	bullish	38.8	-0.22	negative	deteriorating
3	68%	US Large-caps (SPY)	22%	96%	very bullish	48.3	0.82	positive	deteriorating
4	43%	US Fundamentals (QUAL)	15%	94%	very bullish	47.5	0.49	positive	deteriorating
5	32%	US Value (IUSV)	12%	101%	very bullish	53.7	0.70	positive	deteriorating
6	25%	S&P Equal Weight (RSP)	10%	85%	very bullish	46.0	0.04	positive	deteriorating
7	11%	Cash (SGOV)	3%	88%	very bullish	-	0.16	positive	deteriorating
8	0%	Short Income (SHY)	0%	73%	bullish	47.8	0.05	positive	deteriorating
9	-7%	US High Dividend (SPYD)	0%	52%	neutral	47.9	-0.46	negative	improving
10	-14%	US Low Volatility (SPLV)	-3%	27%	bearish	51.8	-0.33	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 negative, when it hits a stop-loss, is overbought, or gives some other sell signal, adopting any sub-strategy that is highly correlated to it is not recommended. To initiate a switch both SPY and the strategy ETF must have TS>0 and CI>0 or better, not be overbought, and be working off a buy-stop.

Best S&P Strategies

IUSG leads in all four quarters & MTUM over 3 years

This week: IUSG leads over 52, 39, 26, weeks. Edged out by Momentum YTD and over 3 years. US equities catching up with offshore stocks. Among US strategies, Momentum outperforms the S&P benchmark over 3 years.

	YTD	Description	this wk	last wk	13wk	26wk	39wk	52wk	3Y
1	20%	US Momentum (MTUM)	-0.9%	-2.4%	0.4%	13.8%	9.7%	17.0%	73.2%
2	19%	US Growth (IUSG)	-0.4%	-2.4%	5.9%	**24.4%**	**14.8%**	**19.3%**	**74.1%**
3	16%	US Large-caps (SPY)	0.1%	-1.6%	6.0%	19.7%	12.0%	13.9%	58.9%
4	11%	US Value (IUSV)	0.7%	-0.5%	**6.1%**	13.8%	7.9%	5.9%	39.8%
5	10%	US Fundamentals (QUAL)	0.6%	-1.6%	5.2%	14.3%	6.1%	6.6%	46.4%
6	8%	S&P Equal Weight (RSP)	-0.1%	-0.2%	3.1%	9.5%	5.0%	3.7%	39.1%
7	5%	US Low Volatility (SPLV)	**0.8%**	**1.2%**	-1.4%	0.2%	0.8%	0.2%	26.2%
8	4%	Short Income (SHY)	0.0%	-0.2%	0.9%	2.0%	3.6%	4.8%	10.2%
9	3%	Cash (SGOV)	0.0%	0.0%	1.1%	2.2%	3.3%	4.4%	10.1%
10	3%	US High Dividend (SPYD)	0.5%	0.4%	1.2%	4.2%	0.9%	-1.4%	38.0%

The Global Index Model

TOP Index Model Move HOLD GLD

THIS YEAR: Strong gold and weak US stocks put the Index model into gold from January through April helping us to avoid the March-April V-bottom in equities caused by the tariff announcement. Exiting gold, which had flattened by mid-May, for International stocks set up a period of vacillation between gold and international stocks that ended with a switch back to gold in late August, ahead of the first Fed rate cut on 9/18. With rate cuts, trillions in US federal deficit spending, and US tariffs weakening the Dollar through December, foreign equities and hard assets still have excellent future prospects.

THIS WEEK: The Global Index Model continues to outperform the S&P, all Buy-and-Hold allocations, and the USES and TSP models in a major way. Index Moose HOLDS #1 Gold (GLD) via buy-stop after selling #2 EFA 8/28/25.

THIS WEEK was the 1st MIXED-Risk week after one Risk-OFF: US Stocks MIXED, Foreign Stocks MIXED, Bonds DOWN, and Gold UP.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**Gold Bullion (GLD)**	**30%**	**113%**	**very bullish**	**54.0**	**2.24**	**positive**	**deteriorating**
2	78%	Emerging Markets (EEM)	27%	101%	very bullish	52.6	1.39	positive	deteriorating
3	64%	US Large-caps (SPY)	22%	96%	very bullish	48.3	0.82	positive	deteriorating
4	62%	US Small-caps (IWM)	21%	88%	very bullish	41.1	0.23	positive	deteriorating
5	45%	Developed Markets (EFA)	18%	103%	very bullish	54.3	0.69	positive	improving
6	9%	Short US Income (SGOV)	3%	88%	very bullish	99.1	0.16	positive	deteriorating
8	-3%	Very Long US Bonds (EDV)	-4%	89%	very bullish	40.1	0.37	positive	deteriorating

	YTD	Description	13wk	26wk	39wk	52wk	3Y
1	**55%**	**Gold Bullion (GLD)**	**22.4%**	**24.0%**	**41.2%**	**58.6%**	**107.2%**
2	33%	Emerging Markets (EEM)	10.2%	20.5%	25.0%	31.4%	52.0%
3	28%	Developed Markets (EFA)	3.9%	10.2%	18.3%	26.9%	47.1%
4	16%	US Large-caps (SPY)	4.5%	15.9%	11.2%	14.6%	58.9%
5	8%	US Small-caps (IWM)	4.3%	17.2%	5.6%	3.2%	44.9%
6	3%	Short US Income (SGOV)	1.1%	2.1%	3.2%	4.4%	10.1%
8	3%	Very Long US Bonds (EDV)	4.5%	10.2%	0.8%	-0.5%	7.9%

Public Sector Strategies-- Thrift Savings Plan

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

Answer: it depends on the investor and on what's working. **In 2025, the TSP** Timing Model is beating moderate Lifetime Funds but lags the most aggressive. For buy and hold (Lifetime) investors: Relative strength in equities over income means aggressive portfolios are out-performing moderate and conservative Lifetime choices.

The TSP Model: HOLD Large-cap US Stocks (Fund C)

THIS WEEK was the 1st MIXED-Risk week after one Risk-OFF: US Stocks MIXED, Foreign Stocks MIXED, Bonds DOWN, and Gold UP.

TSP Moose *HOLDS to Large-cap US Stocks (Fund C)* via CI on 11/7/25 (@107.42).

Fund C holds the TSP Model's #1 spot this week (since 11/7). Its confidence index overcame that of International stocks (Fund I) on 11/7/25, though technical strength, rate of change, RSI, and price momentum still belong to the latter. Although Fund S is in 2nd per the confidence index it triggered a stop-loss at the end of the week (10/13). Apart from S all of the funds in the TSP universe are working off buy-stops this week. PMO for S has turned negative and it lags Funds C and I in technical strength, RSI and PMO which are more current indicators (0-20 days) than ROC and CI% (130-155 days). No funds in the model are overbought or oversold.

	CI%	FUND	ROC	TS+	READ	RSI	PMO	+/-	condition
1	**100%**	**US Large-caps (C)**	**27%**	**96%**	**very bullish**	**48.65**	**0.75**	**positive**	**deteriorating**
2	100%	US Small-caps (S)	29%	72%	bullish	40.79	-0.08	negative	deteriorating
3	98%	Lifetime 2060	27%	94%	very bullish	48.73	0.64	positive	deteriorating
4	96%	International stocks (I)	28%	97%	very bullish	54.39	0.76	positive	deteriorating
5	81%	Lifetime 2050	22%	93%	very bullish	48.84	0.55	positive	deteriorating
6	71%	Lifetime 2040	19%	93%	very bullish	49.06	0.50	positive	deteriorating
7	59%	Lifetime 2030	16%	93%	very bullish	49.52	0.44	positive	deteriorating
8	26%	Long-term Inc (L)	7%	92%	very bullish	51.80	0.29	positive	deteriorating
9	8%	Fixed Income (F)	2%	89%	very bullish	45.08	0.16	positive	deteriorating
10	0%	Short-term Income (G)	0%	88%	very bullish	--	0.16	positive	improving

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

TSP Lifetime & Index Funds: Performance Progression

	FUND	13wk	26wk	39wk	52wk	YTD	3Y
1	**International stocks (I)**	**5.2%**	14.6%	**20.6%**	**26.5%**	**28.1%**	43.7%
2	Lifetime 2060	4.2%	14.3%	13.3%	17.5%	18.9%	48.9%
3	Lifetime 2050	3.7%	12.3%	11.9%	15.4%	16.6%	41.8%
4	US Large-caps (C)	4.5%	**15.1%**	11.2%	14.6%	15.7%	**53.8%**
5	Lifetime 2040	3.4%	11.0%	10.9%	14.2%	15.1%	37.6%
6	Lifetime 2030	3.0%	9.6%	9.7%	12.6%	13.2%	32.7%
7	US Small-caps (S)	0.7%	10.6%	3.3%	5.6%	8.4%	43.5%
8	Long-term Income (L)	2.0%	5.5%	6.3%	8.3%	8.2%	20.0%
9	Fixed Income (F)	1.7%	4.8%	5.7%	6.5%	6.6%	13.4%
10	Short-term Income (G)	1.1%	2.2%	3.3%	4.5%	3.9%	9.1%

***Stop-loss hit,** no buy-stop since—default to highest ranked alternative. (Published stop-loss price is as of previous Friday close. It may change daily and as such, is published as an initial reference only.) **overbought*

TSP Moose v. TSP Lifetime Funds: Yearly Performance

Strategy	2025 YTD	2024	2023	2022	2021	2020	2019	2018	2017
L2060	**18.9%**	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
TSP Moose	16.8%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%
L2050	16.6%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	15.1%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	13.2%	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. When the reckoning does eventually come, however, it can be far worse, shaking our national institutions as well as the economy.

Moospeak

Uncle Sam Reopens

The federal government reopened on November 13, 2025, after a 43-day shutdown following the passage of a spending bill by the House of Representatives. Most federal employees returned to work the next day, and various government services resumed operations. The House of Representatives passed a funding bill with a vote of 222 to 209, and President Trump signed the bill into law on November 12, 2025, allowing agencies to resume operations.

The new funding only lasts through January 30, 2026, for most agencies. However, the Veterans Affairs Department, Agriculture Department, and legislative branch agencies are funded through September 2026. Furloughed workers have been returned to work and will receive back pay for the duration of the shutdown. Moreover, the bill pauses any reductions in force (RIFs) until January, reversing over 4,000 layoffs initiated during the shutdown.

Outside The Swamp, air traffic is returning to normal levels, but the backlog of delays and cancellations is still impacting some airline schedules. Similarly, although Federal data gatherers are back at work, the dates for scheduled economic releases may not be reliable.

The $1.5T Obamacare super-premium debate that ostensibly prompted the Dems to shut things down remains unresolved and will have to be addressed before January 30. With the off-year elections coming up, it is unlikely that either major party will be championing budgetary restraint in 2026. Massive deficits should continue to provide a tailwind to US equities, while also providing the Fed with cover to keep US interest rates among the highest in the developed world. (This Fed has given very little indication that it is smarter than that.)

This week's retreat in US equities (and advance in foreign equities) reflects that expectation. In the US, it's an extension of the US investment decline that began the day after Fed chairman Powell warned investors that a December rate cut is by no means a foregone conclusion. Since then, a couple of hawkish "never Trump" Fed governors have poo-pooed a December cut and added to investor concerns. Futures now put the odds of a rate cut December 10 at 44%, down from 93% before the last Fed meeting.

Stocks would obviously like to see another rate cut in less than a month, but with the US economy currently growing at 4% according to the Atlanta Fed, is a rate cut really crucial to US economic (and equity) survival? If you believe the Atlanta Fed's GDP number, probably not. If, however, this week's Goldman-Sachs estimate that the US lost 50K payroll jobs in October proves accurate, a rate cut may be more crucial. The markets seemed to say as much on Friday. A steep drop in equities (SPY, IWM, QQQ) at the open reversed to a gain by noon.

In the end, for all the nervousness and red on the board the past two weeks, US equities are only **4-6**% off all-time highs. Tech meltdown talk has been overblown. Large-caps and the Nasdaq tested their 50-day averages and held on Friday and neither triggered a stop-loss. Small-caps, the most interest-rate-sensitive stock index did finish below short-term support and trigger a stop-loss at the open, but IWM rallied back to close above the stop— potentially a buy-the-dip signal.

Gold, as previously reported, appeared to stabilize last week offering a buy-the dip opportunity after an 11% correction. This week GLD rallied to close less than 7% off its previous high, despite a late week dip. Equities are a bit more volatile. Small caps, in particular don't appear to have found their footing yet. A standard correction is 10-12% and stocks are only down half that. That doesn't ensure a bigger dip from here, but it could play into expectations. We'd all like to see a Santa rally, but FOMC rate policy may have to come into better focus before we return to previous highs in US stocks.