

MOOSECALLS

Global Financial News & Analysis
OCT.23.2026 through NOV.01.2026

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EXECUTIVE SUMMARY: OCT.23.2026

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 (1)

THIS WEEK: 1st MIXED-Risk week after 1 Risk-OFF week.

US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold DOWN

Bond Rally Equity Rotation Envelops World

Bonds rallied off oversold for a third week aided by an overbought oil complex (USO) with WTI crude prices above \$100 and Brent crude at \$116. With the Fed meeting next week and US voters doing their thing a week after that, investors have been hedging their bets before taking a wait-and-see attitude. While the Fed isn't expected to hike rates until December, if they do hike next week, equity investors don't want to be caught flat-footed, so they've been rotating out of the mega-cap high-flyers and into small value. Among S&P strategies Value has replaced Momentum and Growth. More generically, US large caps (-0.4%) slid while small-caps (+2.0%) rose. US long Treasury prices jumped another 2.5%, on fears that Fed rates "higher for longer" will slow the economy. The 10-yr yield dropped to 4.99%, and the cash yield slipped to 4.03%, flattening the 3m-10y yield curve to 96 basis points. The Dollar (+0.1%) rose fractionally, adding to gold's weakness (-4.0%). Oil (+4.8%) and commodities (+1.1%) overcame the Dollar strength. Offshore stocks were generally lower, apart from Latin America (+0.4%). Asia-Pacific (-1.6%), Europe (-1.2%) and Japan (-0.8%), all pulled back. The models are on hold this week pending stop-loss readings on SPY.

GLOBAL OUTLOOK NEUTRAL (2 of 4, down this week). The Baltic Dry Index and 10Y Treasury yield are down on the quarter, but oil and copper prices are still higher, making the outlook neutral as of 10/23/26.

US INFLATION: No data releases this week. WTI oil prices up to \$103. Global inflation per the Fed Check (84) still warrants tightening.

US ECONOMY: Global Activity Expanding, US LEI Flat, Starts & Permits Down, Consumers Pessimistic, But Jobless Claims Low. Yield curve positive and flattening this week. Recession chances a year out shrinking and minimal. Money market system healthy per SOFR. Above average US growth prospects. GDP Now estimate (Q3) at 3.5% as of 10/09.

FEDERAL RESERVE: Meeting this week. 1st rate hike since 12/25 rate cut five weeks ago. Fed Check (84) remains hawkish. The Fed's balance sheet currently stands at \$6.75 trillion, with the Fed Funds Rate at 3.75-4.00%. By December, at least one more Fed rate HIKE (93%) is likely.

INVESTMENT STRATEGIES: There are no model switches this week.

GLOBAL OUTLOOK: NEUTRAL (2 of 4)

Indications are neutral for the global economy (50% down from 75%) as of 10/23/26.

An international shipping measure and proxy for current global trade, **the Baltic Dry Index is at 2660 this week, up from 2511 last week and down 9% after 13 weeks, a negative** signal. (After opening 2026 at 1882, BDI is still well below its 2010 peak at 4640.)

Meanwhile, another proxy for world activity, **WTI oil price is at \$103.27 this week, up 14% 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 \$6.51 this week, and up 2% this quarter, a positive** signal.

Domestically, **the 10Y US bond yield is at 4.99% this week, down -29 basis points over the past 13 weeks, and a negative** bet on the largest world economy.

REGIONAL RANKING: US Large-caps (SPY) on Top

Regional
Rankings
through
NOV.01.2026

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

The best regional asset we monitor is US Large-caps (SPY). Positives: CI% is max. Technical strength is bullish (>60), and PMO is positive (>0). Negatives: PMO is weak and deteriorating. RSI is bearish (<50). SPY also touched a 20-day low (stop-loss) intraday on Friday but closed above it negating the stop for now.

BEST ALTERNATIVE: The only other choices with a positive CI and PMO are a highly volatile Latin America (ILF) and cash (MMF). Of the two ILF has a stronger PMO and TS than SPY, but that is due to a recent price spike (9% in five days) due to the Brazilian presidential elections. The run-off this weekend will decide Brazil's financial future, and it is too close to call. Cash is the best alternative for now.

**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%	US Large-caps (SPY)	69%	bullish	42.3	0.22	positive	deteriorating
2	74%	Asia Pacific ex-Japan (AAXJ)	26%	bearish	31.0	-1.81	negative	deteriorating
3	62%	Japan (EWJ)	52%	neutral	37.4	-0.25	negative	deteriorating
4	44%	US Small-caps (IWM)	21%	bearish	43.2	-1.47	negative	improving
5	33%	Latin America (ILF)	88%	very bullish	58.3	2.19	positive	improving
6	20%	Short US Income (SGOV)	91%	very bullish	77.4	0.14	positive	deteriorating
7	-14%	Europe (IEV)	32%	bearish	42.9	-0.92	negative	improving
8	-140%	Very Long US Bonds (EDV)	20%	bearish	63.1	-0.31	negative	improving
9	-188%	Gold Bullion (GLD)	7%	very bearish	34.1	-1.43	negative	deteriorating
		US Dollar	92%	very bullish	57.8		positive	deteriorating
		Commodities	112%	very bullish	67.2		positive	improving
		US Oil	127%	very bullish	72.2	OB	positive	improving
		Ryan/CRB	84%	HIKE RATES				
		Volatility	18.0	normal				

Latin stocks (ILF) are the best performing regional choice YTD, solely due a one week 9% gain fueled by a Brazilian preliminary election results showing the socialist incumbent could be replaced by a more investor-friendly opponent in the run-off. (ILF's one-week spike could as easily vanish after the run-off this weekend 10/25, should the incumbent make a comeback, which is why regional investing is not recommended—too volatile.) Last week a tech crash in South Korea knocked the entire region down from bullish to bearish.

YTD	FUND	10/23	10/16	13wk	26wk	39wk	52wk	3Y
23.8%	Latin America (ILF)	0.4%	-1.6%	3.7%	4.7%	9.1%	40.1%	71.2%
16.5%	Japan (EWJ)	-0.8%	-3.0%	3.3%	8.7%	11.9%	24.0%	52.1%
14.3%	Asia Pacific ex-Japan (AAXJ)	-1.6%	-6.4%	0.3%	-2.8%	6.7%	15.9%	45.0%
12.0%	US Small-caps (IWM)	2.0%	-3.0%	0.6%	-0.3%	4.8%	11.7%	24.5%
11.4%	US Large-caps (SPY)	-0.4%	-2.0%	7.8%	6.3%	11.1%	13.4%	33.5%
3.1%	Europe (IEV)	-1.2%	1.5%	-1.8%	0.4%	1.3%	10.6%	34.8%
0.3%	Short US Income (SGOV)	0.1%	0.1%	1.9%	1.8%	2.8%	3.7%	8.4%
-7.5%	Gold Bullion (GLD)	-4.0%	-0.7%	-14.9%	-13.5%	-20.0%	-2.9%	47.5%
-9.2%	Very Long US Bonds (EDV)	2.5%	4.3%	-5.7%	-4.0%	-7.0%	-11.7%	-12.6%

REGIONAL RANK & SUMMARY

THIS WEEK: 1st MIXED-Risk week after 1 Risk-OFF week.

US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold DOWN

#1 US LARGE-CAPS Touch Stop-loss

SPY fell 0.4% this week, after losing 2.0% last week. That left it bullish and ranked #1 globally and more attractive than cash. The index is up 7.8% for the quarter (13 weeks), and up 13.4% for the year (52 weeks).

#2 ASIA-PACIFIC Retests 200-day, Fails

AAXJ fell 1.6% this week, after losing 6.4% last week. That left it bearish and ranked #2 globally and more attractive than cash. The index is up 0.3% for the quarter (13 weeks), and up 15.9% for the year (52 weeks).

#3 JAPAN Triggers Multiple Stop-Losses

EWJ fell 0.8% this week, after losing 3.0% last week. That left it neutral and ranked #3 globally and more attractive than cash. The index is up 3.3% for the quarter (13 weeks), and up 24.0% for the year (52 weeks).

#4 US SMALL-CAPS Bounce Off Oversold Low

IWM rose 2.0% this week, after losing 3.0% last week. That left it bearish and ranked #4 globally and more attractive than cash. The index is up 0.6% for the quarter (13 weeks), and up 11.7% for the year (52 weeks).

#5 CASH YIELD Rises-- The 3-month yield fell 4 basis points to 4.03%. The 10-year dipped 11 to 4.99% flattening the yield curve to 96 basis points. Cash is currently ranked #5 globally. The 3-month T-bill is up 0.9% for the quarter and up 3.7% for the year (52wks). Total return over six months is 1.8%.

#6 LATIN AMERICA Awaits Brazil's Favorite

ILF rose 0.4% this week, after losing 1.6% last week. That left it very bullish and ranked #6 globally and less attractive than cash. The index is up 3.7% for the quarter (13 weeks), and up 40.1% for the year (52 weeks).

#7 EUROPE's Risk-On Turns Risk-Off

IEV fell 1.2% this week, after gaining 1.5% last week. That left it bearish and ranked #7 globally and less attractive than cash. The index is down 1.8% for the quarter (13 weeks), but up 10.6% for the year (52 weeks).

#8 US LONG T-BONDS Rebound to Buy-Stop

EDV rose 2.5% this week, after gaining 4.3% last week. That left it bearish, ranked #8 globally and with a less attractive total return than cash over six months. Long bonds are down 5.7% for the quarter (13 weeks) and down 11.7% for the year (52 weeks) as yields have risen.

#9 GOLD Dips Again on Slide in Long Yields

GLD fell 4.0% this week, after losing 0.7% last week. That left it very bearish and ranked #9 globally and less attractive than cash. The index is down 14.9% for the quarter (13 weeks), and down 2.9% for the year (52 weeks).

COMMODITIES Again Rally With Oil

A very bullish CRB rose 1.1% this week after gaining 2.4% last week. That left commodity prices up 17.0% for the quarter (13 weeks), and up 51.8% for the year (52 weeks). Crude Oil: Meanwhile, the broader oil complex (USO) rose 4.8% this week, following last week's gain of 9.1%, and is currently very bullish. That leaves US oil prices up 35.1% for the quarter (13 weeks), and up 140.0% for the year (52 weeks).

US DOLLAR Steadies Just Below Latest High

UUP rose 0.1% this week, after losing 0.3% last week. It is currently very bullish—up 2.0% for the quarter (13 weeks), and up 3.8% in the last year (52 weeks). At \$28.96, UUP is above its short-term (50-day) average and above its intermediate-term (200-day) average.

US ECONOMY: OCT.23.2026

OVERALL: Global Activity Expanding, US LEI Flat, Starts & Permits Down, Consumers Pessimistic, But Jobless Claims Low

PRODUCTION: Global Activity Expanding

- (+) 10/17 WEEKLY EIA Crude Oil Inventory (-3.061M) DRAW shrinks as WTIC oil prices rise to \$102
- (+) SEP Industrial Production (+0.7%) strong-- ABOVE prior and consensus.
- (+) SEP Capacity Utilization (76.9) UP and ABOVE prior and expectations.
- (+) OCT S&P Global US Manufacturing PMI – (56.0) expanding, ABOVE previous.
- (-) OCT S&P Global US Services PMI – (57.9) expanding, BELOW previous
- (-) SEP ISM Manufacturing Index (54.5) expanding, BELOW prior and consensus.
- (-) SEP ISM Services Index (54.9) expanding, BELOW prior and consensus.

CONSTRUCTION: Starts & Permits Down

- (-) SEP Housing Starts (1221K) BELOW consensus and previous.
- (-) SEP Building Permits (11400K) BELOW prior and consensus.
- (+) SEP Existing Home Sales (3.99M) up from previous and consensus.
- (+) AUG New Home Sales (684K) UP from prior and forecasts.
- (+) AUG Construction Spending (+0.9%) ABOVE prior and expectations.

INFLATION: CPI, PPI, Ex-Im Heat Up

- (-) SEP CPI (+0.6%) warmer than prior (+3.7% y-o-y)
- (-) SEP Core CPI (+0.3%) in line with prior (+2.6% y-o-y)
- (-) SEP PPI (+1.3%) warmer than prior (+6.3% y-o-y)
- (-) SEP Core PPI (+0.7%) warmer than prior (+5.0% y-o-y)
- (-) SEP Import Prices (+1.1%) hot monthly and (+8.1%) year-on-year.
- (-) SEP Export Prices (+2.2%) hot monthly and (+11.6%) year-on-year.
- (-) AUG PCE Prices (+0.3%) more benign than prior and expected. (1yr 3.4% down.)
- (-) AUG PCE Prices – Core (+0.2%) more benign than prior and expected (1yr 3.0% down.)

JOBS: Jobless Claims Remain Low

- (+) Weekly initial Claims (194K) DOWN from prior and BELOW consensus.
- (-) Weekly Continuing Claims (1728K) ABOVE prior week.
- (+) SEP ADP Private Payrolls (90K) UP more than expected from previous.
- (-) SEP Nonfarm Payrolls (+29K) well BELOW previous and consensus.
- (-) SEP Unemployment rate (+4.2%) ticked higher than prior and consensus.
- (-) SEP Average Hourly Earnings (+0.1%) WEAKER than consensus and prior.
- (+) SEP Average workweek (34.4) unchanged, better than expected.
- (+) AUG JOLTS Job openings (7.08M) BELOW consensus and prior revised higher.
- (+) AUG Challenger Job Cuts (52.9K) UP from JUL but DOWN from a year ago. Lowest AUG since '22.

CONSUMPTION: Consumers Pessimistic

- (-) AUG Consumer Confidence (81.9) DOWN from prior and below consensus.
- (+) AUG Durable Orders flat (+0.0%) BELOW prior but ABOVE consensus.
- (-) AUG Personal Income (+0.2%), BELOW consensus and prior.
- (+) AUG Personal Spending (+0.9%) ABOVE prior and forecasts.
- (+) OCT Michigan Consumer Sentiment (48.0) pessimistic but ABOVE preliminary and consensus.
- (+) JUL NFIB Small Business Optimism (99.8) strong and ABOVE prior (97.4).
- (+) SEP Retail Sales (+0.8%) ABOVE consensus but below prior.
- (-) AUG Trade Deficit (-\$105.6) WORSE than prior and consensus.
- (+) SEP Federal Budget (-\$26.9) deficit less than August

GDP & RELATED DATA: LEI Flat

- (+) SEP Leading Economic Index (0.0%) BEAT consensus and prior.
- (+) Q2 GDP – 2rdEST (+2.2%) UP from previous and consensus.
- (+) Q2 GDP Deflator – 3rdEST (+6.1%) less hot 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.
- (-) Q2 Current Account Balance (-\$246.0B) deficit greater than previous quarter and consensus forecast.

RECESSION THREAT: MINIMAL, FALLING

US recession chances one year out: 12.76% (SEP 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 at 3.5%

Atlanta Fed Current GDP Model (10/20/2026): Q3 Annualized 3.5% (Last week: Q3 Annualized +3.6%)

US ECONOMY: FEDERAL RESERVE

FED BALANCE SHEET (\$6.75T); FFR @ (3.75-4.00%)

Federal Reserve:
week of
OCT.23.2026

Currently, the Fed's balance sheet is up to \$6.752 trillion in the latest week 10/21/26. The Fed Funds Rate was raised 25 BPS to 3.75-4.00% at the SEP16 FOMC meeting. It was the first time rates have changed since the Fed cut in DEC 2025.

The next FOMC meeting is this Wednesday, October 28. The new chairman since May 22, Kevin Warsh, chaired his first FOMC meeting June 17. There has been a sense that supply-side inflation pressures brought on by the war with Iran would eventually force two rate hikes by year-end. **After the September hike, the odds of at least one more rate hike by year-end are still 93%. Consensus has it coming at the December meeting.**

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 4.69%, however, is now 82 bps higher than the Fed overnight rate (3.875%), implying near-term US domestic conditions make another Fed rate hike increasingly likely.**

The 3m-10y yield curve flattened to a slope of 96 bps this week, as the 10-year US Treasury yield fell to 4.99% and the 3-month cash yield fell to 4.03%. **Intermediate term the curve is positive but now flattening. That suggests a strong economy that's weakening.** The 30d-10y median yield of 4.51% is above its 200-day average of 4.11%. **A rising median yield and a positive yield curve are both bullish for stocks.**

3-month SOFR yield is 3.90%, while the 3-month T-bill is 4.03%. That puts the SOFR/T-bill (SOF-T) spread at -13 basis points, below its 200-day average of -6.1 basis points. **A widening SOF-T spread reflects tighter repo funding or unusually strong demand for 3-month Treasury bills.**

FED CHECK: TIGHTER INDICATED (-1)
RATE POSTURE: TIGHTENING (-1)
BALANCE SHEET: STEADY (0)
FED SPEAK: HAWKISH (-1)
FED OVERALL: HAWKISH (-3)

Latest FOMC Assessment (2026.9.16) The Committee decided to raise the target range for the federal funds rate by 1/4 percentage point to 3-3/4 to 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. While uncertainty remains elevated owing, in part, to geopolitical developments, domestic spending has been resilient. Productivity growth is strong, and capital investment is robust. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated. Today's policy action will support a timelier return to the Committee's 2 percent goal. The Committee will deliver price stability. (Next Meeting: 10/28/2026)

US Currency Market:

US DOLLAR Steadies Just Below Latest High

US Dollar: UUP rose 0.1% this week, after losing 0.3% last week. It is currently very bullish—up 2.0% for the quarter (13 weeks), and up 3.8% in the last year (52 weeks). At \$28.96, UUP is above its short-term (50-day) average and above its intermediate-term (200-day) average. Momentum in the greenback is positive but deteriorating. RSI14 at 57.8 is neither overbought nor oversold. As for other major currencies versus the Dollar, the Australian Dollar (FXA) is neutral, and rose 1.4% this week. The British Pound (FXB) is neutral and rose 0.4%. The Canadian Dollar (FXC) is bearish and rose 0.9%. The Euro (FXE) is very bearish and fell 0.4%. The Swiss Franc (FXF) is very bearish, and fell 0.2%, and the Japanese Yen (FXJ) is bullish and rose 0.7%.

After reversing off its latest high to finish last week lower, the Dollar steadied up this week. Falling US bond yields took the 10-year T-bond below 5% for the first time in about a month, taking some of the pressure off the dollar. With the US tariff regime, the Treasury's Yen bailout policy, and Treasury's bond buybacks still pushing the greenback higher, however, it is as yet unclear whether we're at the beginning of a new six-week cycle lower or just getting relief from recent over-bought highs. The Dollar's PMO remains positive but is deteriorating suggesting the latter, but its average directional change is well above average (39) after a strong up-move, offering the possibility of an equally strong mean reversion lower.

Carry-trade This Week

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

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

US Treasury Market:

#8 US LONG T-BONDS Rebound to Buy-Stop

US Long Treasury Bonds: EDV rose 2.5% this week, after gaining 4.3% last week. That left it bearish, ranked #8 globally and with a less attractive total return than cash over six months. Long bonds are down 5.7% for the quarter (13 weeks) and down 11.7% for the year (52 weeks) as yields have risen. The US Treasury 10-year yield fell 11 basis points to 4.99%, and the 3-month yield fell 4 basis points to 4.03%, with the yield curve flattening to 96 basis points. That reduces the odds of a recession in late 2027. At \$59.02, EDV is above 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 63.1 means EDV is neither overbought nor oversold. A pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves returns to Dollar investors in US assets.

After bottoming out in an oversold high-volume mess October 7, long T-Bonds rallied in eleven sessions to trigger their first buy-stop this week. Firmer energy costs (WTI back above \$103) got the bond market thinking Fed rate hikes in December are practically a done deal (93%). Coupled with last week's hotter than expected consumer and producer price inflation, it was more than enough to send long bond prices higher and yields lower. The 10-year T-bond yield fell below 5% to 4.99% and the 3-month T-bill yield slipped to 4.03%. Rising energy costs, massive US fiscal deficits, and tax-induced public and private sector credit demand all continue to pressure interest rates. Treasury's plan to double its buybacks of long-term T-Bonds in order to ease pressure on long-term borrowing costs for the government, businesses, and consumers may be a short-term help but it is not a long-term solution. Sustainable lower long-term rates will require improvements in the fiscal outlook, inflation trajectory, or other structural factors rather than buybacks alone— and that probably includes another short-term rate hike.

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

US Equity Market:

#1 US LARGE-CAPS Touch Stop-loss

US Large-Cap Stocks: SPY fell 0.4% this week, after losing 2.0% last week. That left it bullish and ranked #1 globally and more attractive than cash. The index is up 7.8% for the quarter (13 weeks), and up 13.4% for the year (52 weeks). At \$759.97, SPY is below its short-term (50-day) average but above its intermediate-term (200-day) average. Its momentum (PMO) is positive but deteriorating, and its 14-day RSI of 42.3 means SPY is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves returns to Dollar investors in US assets.

US large caps still face the same headwind they've faced all year—fear of “higher for longer” interest rates, thanks to war-induced inflation, a global tariff regime and a widespread fascination—public and private-- with debt. This week, another jump in energy costs (WTI back above \$103) a week before the next Fed meeting kept investors anticipating a 2026 Fed rate hike (93%). That reduced confidence in equities even as it added to the oversold bounce in bonds that began last week. The US large-cap index ended the week below 50-day support again, touching but not closing below a 20-day stop loss. As stop-losses go it looks premature. SPY's average directional change remains weak (ADX<15), and at 42 RSI is on the bearish side of 50, but PMO is still positive though deteriorating. The weakness in SPY is in the overbought mega-cap space. The cap-weighted index is struggling, led lower by growth and momentum names. Meanwhile investors are rotating into Value, Equal-weighted, and High Dividend pushing them higher for a second straight week.

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%).

US Equity Market:

#4 US SMALL-CAPs Bounce Off Oversold Low

US Small-Cap Stocks: IWM rose 2.0% this week, after losing 3.0% last week. That left it bearish and ranked #4 globally and more attractive than cash. The index is up 0.6% for the quarter (13 weeks), and up 11.7% for the year (52 weeks). At \$275.75, IWM is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative but improving, and its 14-day RSI of 43.2 means IWM is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes Dollar-denominated assets more attractive. Over time, a bullish Dollar improves returns to Dollar investors in US assets.

US small caps still face the same headwind they've faced all year—fear of “higher for longer” interest rates, thanks to war-induced inflation, a global tariff regime and a widespread fascination—public and private-- with debt. This week, another jump in energy costs (WTI back above \$103) a week before the next Fed meeting kept investors anticipating a 2026 Fed rate hike (93%). The US small-cap index, having dropped below major support (and its 38% Fibonacci retracement level) at its 200-day average last week, and ending the week at a new six-month low, got an oversold bounce this week. IWM's average directional change is still strong but waning (ADX>39). Money flow is still negative but improving. PMO is negative but neutral. Small-caps, for whom additional borrowing costs are an important consideration are disproportionately affected by higher interest rates.

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%).

US Equity Market: Week's Top Sectors:

Tech, Gold, Bitcoin Continue Slide

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 picks up and turns slightly positive -- 52% of our sectors are buy or hold (L48%). **BUYS held at 26%** (L26%) and **HOLDS rose to 26%** (L22%). **Avoids fell to 48%** (L52%). **Top buys this week:** Health Providers Oil Exploration, Software, Medical Devices, Consumer Staples. **Week's Worst:** Semi-conductors, Gold Miners, Bitcoin, Technology, Internet

CI%	Description	ROC	TS	READ	RSI	PMO	+/-	Condition
100%	Semiconductors (SMH)	34%	30%	bearish	33.4	-1.27	negative	deteriorating
82%	US Technology (IYW)	30%	65%	bullish	38.2	0.18	positive	deteriorating
72%	Software (XSW)	35%	113%	very bullish	64.9	1.93	positive	improving
58%	US Health Providers (IHF)	34%	113%	very bullish	67.4	1.74	positive	improving
47%	Oil/Gas Expl & Prod (XOP)	15%	111%	very bullish	63.5	2.48	positive	improving
43%	DJ Internet Index (FDN)	14%	73%	bullish	39.3	0.06	positive	deteriorating
39%	Biotechnology (IBB)	21%	95%	very bullish	51.9	0.62	positive	improving
27%	S&P 500 (SPY)	12%	69%	bullish	42.3	0.22	positive	deteriorating
22%	US Pharmaceuticals (IHE)	15%	71%	bullish	53.5	0.05	positive	improving
15%	Bitcoin (BLOK)	1%	5%	very bearish	32.6	-3.31	negative	deteriorating
13%	Capital Markets (KCE)	10%	34%	bearish	45.9	-1.54	negative	improving
12%	KBW Insurance (IAK)	12%	92%	very bullish	60.5	0.76	positive	improving
6%	KB Banks (KBE)	10%	27%	bearish	58.2	-1.12	negative	improving
3%	Retail (XRT)	4%	67%	bullish	59.9	0.65	positive	improving
-3%	Transports (IYT)	6%	23%	bearish	48.2	-0.93	negative	improving
-5%	CASH	-2%	70%	bullish	66.8	0.05	positive	improving
-5%	Telecommunications (FCOM)	-4%	31%	bearish	33.2	-0.34	negative	deteriorating
-9%	REITs (VNQ)	0%	25%	bearish	55.1	-0.78	negative	improving
-9%	Consumer Staples (XLP)	3%	104%	very bullish	64.4	1.40	positive	improving
-11%	Industrials (XLI)	-2%	13%	very bearish	35.5	-1.22	negative	deteriorating
-11%	Select Materials (XLB)	2%	56%	neutral	60.0	0.03	positive	improving
-14%	US Oil Equip & Serv (IEZ)	-3%	21%	bearish	52.2	-1.67	negative	improving
-15%	Media Portfolio (XLC)	-8%	12%	very bearish	33.1	-0.62	negative	deteriorating
-18%	Food & Beverage (PBJ)	-3%	55%	neutral	61.4	0.40	positive	improving
-29%	US Medical Devices (IHI)	-5%	66%	bullish	65.3	0.80	positive	improving
-29%	Utilities (XLU)	-10%	24%	bearish	60.5	0.07	positive	improving
-37%	Home Construction (XHB)	-7%	7%	very bearish	54.3	-1.31	negative	improving
-37%	US Aerospace & Def (PPA)	-14%	13%	very bearish	38.7	-1.92	negative	improving
-49%	Gold Miners (GDX)	-18%	29%	bearish	34.5	-1.98	negative	deteriorating

US Sector Top Performers: Last 2 weeks (10/23/26)

YTD	Description	THIS wk	LAST wk	2 wks	13wk	26wk	39wk	52wk	3Y
25.9%	US Health Providers (IHF)	2.9%	3.3%	6.3%	7.2%	32.4%	24.2%	19.6%	12.6%
-11.6%	US Medical Devices (IHI)	2.2%	3.9%	6.1%	8.8%	1.6%	-10.2%	-11.2%	-5.5%
13.6%	Consumer Staples (XLP)	0.7%	5.0%	5.8%	4.7%	8.5%	9.2%	13.7%	13.5%
15.1%	Software (XSW)	8.7%	-3.2%	5.5%	20.6%	40.2%	22.5%	9.6%	29.8%
59.7%	Oil/Gas Expl & Prod (XOP)	0.7%	4.6%	5.3%	19.1%	27.4%	57.4%	64.8%	55.5%
7.9%	KBW Insurance (IAK)	0.8%	3.9%	4.7%	0.7%	10.5%	15.6%	17.5%	14.9%
7.0%	Food & Beverage (PBJ)	0.6%	4.0%	4.6%	-0.9%	-2.8%	3.8%	6.7%	3.0%
8.5%	KB Banks (KBE)	3.5%	0.8%	4.3%	-4.7%	3.2%	7.5%	18.2%	22.9%
2.8%	Retail (XRT)	0.7%	3.5%	4.2%	-1.2%	1.2%	-0.6%	4.1%	14.6%
-4.4%	Home Construction (XHB)	3.7%	0.1%	3.8%	-6.7%	-7.6%	-11.2%	-7.7%	-19.3%

INTERNATIONAL MARKETS:

#9 GOLD Dips Again on Slide in Long Yields

Gold Bullion: GLD fell 4.0% this week, after losing 0.7% last week. That left it very bearish and ranked #9 globally and less attractive than cash. The index is down 14.9% for the quarter (13 weeks), and down 2.9% for the year (52 weeks). At \$366.61, GLD is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 34.1 means GLD is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits returns to Dollar investors in foreign equities, commodities and gold.

This week, a jump in energy costs (WTI back above \$103) kept gold bugs worrying about another 2026 Fed rate hike. Long-term interest rates retreated and the Dollar steadied this week, fractionally higher. It wasn't much, but it was enough to GLD send gold fractionally lower on the week and still bearish. That bearishness is due to higher interest rates from war-induced inflation and a global US tariff regime; a US economy increasingly at full employment that promotes a bullish Dollar; and massive amounts of new public and private debt. As a result, the US has joined Europe, Japan and Britain in what has now become a rising rate world. That would appear to make gold's prospects dim unless the yield curve continues to flatten.

INTERNATIONAL MARKETS:

COMMODITIES Again Rally With Oil

Commodities: A very bullish CRB rose 1.1% this week after gaining 2.4% last week. That left commodity prices up 17.0% for the quarter (13 weeks), and up 51.8% for the year (52 weeks). At \$34.10, the CRB 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 67.2 means the CRB is neither overbought nor oversold. **Crude Oil:** Meanwhile, the broader oil complex (USO) rose 4.8% this week, following last week's gain of 9.1%, and is currently very bullish. That leaves US oil prices up 35.1% for the quarter (13 weeks), and up 140.0% for the year (52 weeks). At \$169.53, USO is above its short-term (50-day) average and above its intermediate-term (200-day) average. Its 14-day RSI is 72.2, meaning USO is overbought. A pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits returns to Dollar investors in foreign equities, commodities and gold.

DBC gapped up on Friday and finished the week triggering a new buy-stop. Price is still below the 52-week high set 9/15, but getting close. A jump in energy costs (WTI back above \$103) kept investors stewing about another 2026 Fed rate hike. Long-term interest rates retreated but the Dollar got bid higher this week, not normally good for commodities and oil which are traded in Dollars. Global oil supply is still constrained due to the US-Iran conflict, and WTI crude edged up from \$102 to \$103 this week. Oil's moves are still primarily supply-risk/geopolitical rather than evidence of stronger global economic demand. Global supply of LNG (Liquefied Nat Gas) rallied again this week on reports the US is adding supply out of Alaska by pipeline to Asia.

INTERNATIONAL EQUITIES: #7 EUROPE's Risk-On Turns Risk-Off

European Large-Cap Stocks: IEV fell 1.2% this week, after gaining 1.5% last week. That left it bearish and ranked #7 globally and less attractive than cash. The index is down 1.8% for the quarter (13 weeks), but up 10.6% for the year (52 weeks). At \$70.72, IEV is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative but improving, and its 14-day RSI of 42.9 means IEV is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits returns to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

Last week's valiant 200-day recovery turned south this week as the index failed to hold that support. Strength in the Dollar this week and technical failure at IEV's 200-day contributed to the selling pressure. At 2.25%-2.50% the new ECB deposit facility rate still enjoys an advantage of being well below the new US Fed overnight rate (3.75-4.00%). European inflation worries due to a sharp increase in energy prices out of the Middle East, however, foster fears of tighter EU monetary policy amid slower growth. US trade policy also remains a headwind, particularly for developed regions' manufactures vs (commodity-centric) emerging economies. NOTE: A weakening Euro puts dollar-based Europe (IEV +1 behind Europe's hedged version (HEDJ +3) per 6-month Price-Performance. Europe continues to underperform the US market (VTI +7) even after the US rate hike. Ireland (EIRL +13) is outperforming the US. Otherwise, Denmark (EDEN +7), Switzerland (EWL +5), Spain (EWP +5), Netherlands (EWN +3), Britain (EWU +3), Italy (EWI +1), Germany (EWG -0), and France (EWQ -6) are lagging.

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%).

INTERNATIONAL EQUITIES: #3 JAPAN Triggers Multiple Stop-Losses

Japanese Stocks: EWJ fell 0.8% this week, after losing 3.0% last week. That left it neutral and ranked #3 globally and more attractive than cash. The index is up 3.3% for the quarter (13 weeks), and up 24.0% for the year (52 weeks). At \$94.10, EWJ is below its short-term (50-day) average but above its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 37.4 means EWJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits returns to Dollar investors in foreign equities, commodities and gold, and improves the region's trade competitiveness.

Japanese equities broke above their 50-day on July 30 and followed that positively-sloping trend higher, peaking October 6. EWJ then broke below that support line October 14, triggering multiple stop-losses since. The breakdown is minor so far, only about 5% below the October 6 high. Recent average directional strength in EWJ has been weak (ADX<13) denoting a rangebound index. EWJ, though bearish short-term is still technically bullish intermediate term, and the Yen has stabilized recently with US help. The 6-month return is still greater than the US cash return but PMO is now negative and deteriorating. Finally, hedged Japanese equities (DXJ) broke below their 50-day this week, triggering a stop-loss, suggesting that the weakness in EWJ is not just currency-related. Strong global risk appetite, solid earnings, and US-backed Yen stability are supportive of Japanese equities, while rising yields and BOJ tightening expectations create countervailing pressure. Overall, the external backdrop remains favorable for Japan's exporters but less favorable for its domestic consumers. Note: EWJ (+9) is lagging its hedged version, DXJ (+10), but outperforming six-month US equity performance (VTI @ +7).

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

INTERNATIONAL EQUITIES: #2 ASIA-PACIFIC Retests 200-day, Fails

Asia-Pacific ex-Japan: AAXJ fell 1.6% this week, after losing 6.4% last week. That left it bearish and ranked #2 globally and more attractive than cash. The index is up 0.3% for the quarter (13 weeks), and up 15.9% for the year (52 weeks). At \$106.40, AAXJ is below its short-term (50-day) average and below its intermediate-term (200-day) average. Its momentum (PMO) is negative and deteriorating, and its 14-day RSI of 31.0 means AAXJ is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits returns to Dollar investors in foreign equities, commodities and gold, but improves the region's trade competitiveness.

After plunging below its 200-day last week, AAXJ retested the intermediate support level and failed. A convergence of memory-chip industry fears, macro tightening concerns, and dynamic foreign fund outflows have triggered a global unwind in tech and semiconductors, affecting Taiwan and South Korea in particular. Average directional strength in Asian equities is picking up (ADX>29) on the latest downside run. India (a rate hike, a weak rupee and heavy foreign capital outflows) is still weakest, followed by China (weak banking and property sectors, slower growth and trade disagreements with the US.) Overall, foreign investors have redirected Asian capital toward Japan and Taiwan, where valuations and AI-related opportunities appear more attractive. Asia-Pacific equities ex-Japan (AAXJ +0) are less attractive than US stocks (VTI +7) in 6-month Price-Performance. Taiwan (EWT +25) is now the lone standout after South Korea (EWY +0) tanked to start October. Singapore (EWS +10) is holding its own, but Australia (EWA +1), Hong Kong (EWH -5), China (FXI -11), and India (IMVP -12), lag the US and are struggling due to energy dependence and US tariffs. As for international equity choices, emerging economies (commodity-centric) have better prospects during a commodity boom than slow-growth developed regions that are hiking rates (Europe and Japan).

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%).

INTERNATIONAL EQUITIES: #7 LATIN AMERICA Awaits Brazil's Favorite

Latin America 40: ILF rose 0.4% this week, after losing 1.6% last week. That left it very bullish and ranked #6 globally and less attractive than cash. The index is up 3.7% for the quarter (13 weeks), and up 40.1% for the year (52 weeks). At \$37.70, 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 58.3 means ILF is neither overbought nor oversold. As for currency effects, a pricier Dollar this week makes foreign assets, commodities and gold less attractive. Over time, a bullish Dollar limits returns to Dollar investors in foreign equities, commodities and gold, and improves the region's trade competitiveness.

Latin equities (ILF) have been rangebound for three weeks after gapping 9% higher on October 5 due entirely to Brazil's 1st round presidential election in which the more fiscally conservative and market-friendly Senator Flávio Bolsonaro finished ahead of incumbent President Luiz Inácio Lula da Silva, 47% to 45%. The run-off election is this weekend (Oct 25th) and the polls are said to be tied. Elsewhere in Latin America, global monetary conditions and US trade policy remained more important than domestic developments. That is increasingly true with momentum in Latin equities (ILF +4) under-outperforming its US cousin (VTI +7) in 6-month Price-Performance. Colombia (COLO +21) is by far the strongest Latin equity market, outperforming the US, and Brazil (EWZ +7) is coming on lately. Canada (EWC +5), which is not in ILF, but a key player in the Americas is positive, but equities in Mexico (EWW -2), Argentina (ARGT -4), and Chile (ECH -13) are deteriorating.

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%).

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 better than average for US stocks though they lagged international equities and bonds until March. As the 4th quarter begins VTI (the Total US Stock Index) is nominally 17% higher over 12 months, above its 11% post-WWII (1945-2025) annualized average. Bonds, however, have been miserable. 7-10 year Treasuries are nominally down -3% in 12 months, considerably below their long-term annual average of +5%. The drag from bonds has dampened Diversified Buy & Hold strategies leaving relatively modest nominal returns year-to-date. Moderate portfolios are weaker than aggressive, but both AOM (+1%) and AOA (+3%) are still positive over the last 6 months.

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

Our overall technical strength reading is still bullish for (80-20) aggressive portfolios (AOA) but it has deteriorated to neutral for (40-60) moderate portfolios (AOM). In both instances RSI is below 50 and PMO is below 0 denoting short term bearishness. The differences are widening, as another Fed rate hike threatens both bonds and equities. *stop-loss

CI%	METRICS	ROC	TS	READ	RSI	PMO	+/-	Condition
22%	(AOA) Aggressive Growth*	7%	47%	neutral	40.7	-0.24	negative	deteriorating
0%	(AOM) Moderate Growth & Inc*	1%	41%	neutral	45.9	-0.21	negative	improving
YTD	PERFORMANCE	this wk	last wk	13wk	26wk	39wk	52wk	3Y
7.6%	(AOA) Aggressive Growth	-0.4%	-1.3%	0.8%	2.9%	8.2%	11.7%	28.3%
1.9%	(AOM) Moderate Growth & Inc	0.1%	-0.4%	0.0%	0.6%	4.0%	5.3%	16.2%
PR/HI	PRICING	SL	PRICE	BS	52w HI	52w LO	50d avg	210d avg
96.4%	(AOM) Moderate Growth & Inc	96.10	96.38	98.65	100.03	85.90	97.97	94.18
97.0%	(AOA) Aggressive Growth	48.52	48.66	49.08	50.16	46.60	49.04	48.27

Market Timing v. Diversified Buy & Hold: Performance*

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	20.2%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	7.6%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	1.9%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%
Strategy										
S&P Benchmark	11.4%	14.5%	24.5%	24.3%	-19.5%					
US Strategy Moose	-1.3%	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 is underperforming in 2026, worsened by an 8-day October correction. 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, but AOM has come back the last two weeks.

This performance data may not reflect total return. Dividends and interest were not included until recently, and the numbers may understate true model, ETF, and benchmark performance by 2-3% for years before 2025. 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).

TIMING STRATEGIES: THE US EQUITY STRATEGY (USES) MODEL

USE Strategy: HOLD Cash (MMF) via Momentum (MTUM) stop-loss 10/15/2026

The USES Model is an equity-only construct for determining the optimum equity strategy for the US stock portion of one's portfolio. It monitors and ranks 9 US equity strategies (as represented by the most popular smart-beta ETFs based on volume and capitalization) using our momentum methodology. The 9 US equity strategies included US momentum, US growth, US value, US low volatility, US high dividend, US fundamentals, US equal weight, US Large-cap benchmark, and US Small-caps.

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The model has held Cash since 10/15/2026 waiting for an opportunity to reenter US equities. SPY is down since the switch date, however, which given the positive correlation between the ETFs in this model and their benchmark does not bode well. Cash ahead of the Fed meeting next week is a safe position.

BEST ALTERNATIVES: US Value (IUSV) and S&P Equal Weight (RSP) both have positive CI, TS>60 (bullish+), RSI >50, and a positive PMO that is improving. Of the two, IUSV is better, but those numbers could change should the S&P, which is the last bastion of bullishness triggers a more convincing stop-loss next week.

Most Recent STOP: *20-d Stop-loss, **20-d Buy-stop

	CI%	METRICS	ROC	TS	READ	RSI	PMO	+/-	Condition
1	100%	US Momentum (MTUM)*	17%	30%	bearish	32	-1.07	negative	deteriorating
2	75%	US Growth (IUSG)*	14%	58%	neutral	35	-0.03	negative	deteriorating
3	51%	US Large-caps (SPY)	12%	68%	bullish	42	0.17	positive	deteriorating
4	44%	US Fundamentals (QUAL)**	12%	85%	very bullish	44	0.50	positive	deteriorating
5	23%	US Value (IUSV)**	10%	95%	very bullish	65	0.46	positive	improving
6	23%	US Small-Caps (IWM)*	8%	21%	bearish	43	-1.47	negative	improving
7	20%	S&P Equal Weight (RSP)**	9%	73%	bullish	58	0.15	positive	improving
8	10%	Cash (SGOV)	2%	96%	very bullish	100	0.15	positive	improving
9	-7%	US High Dividend (SPYD)**	5%	51%	neutral	66	-0.20	negative	improving
10	-25%	US Low Volatility (SPLV)**	-1%	67%	bullish	65	0.34	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 switch-in both SPY and the strategy ETF must have TS>50% and CI>SGOV or better, have a positive, improving PMO, not be overbought, and be working off a buy-stop.

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US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold DOWN

Performance-wise, MTUM holds year-to-date 39-week and 3Y honors this week. IUSV has gained the lead over 13, 26 and 52 weeks. High Dividend and Low Volatility have had a great two weeks.

	YTD	PERFORMANCE	This Wk	Last Wk	13wk	26wk	39wk	52wk	3Y
1	16%	US Momentum (MTUM)	-1.3%	-8.4%	-4.2%	5.8%	14.9%	16.1%	41.1%
2	13%	S&P Equal Weight (RSP)	1.1%	0.5%	2.3%	7.4%	11.8%	15.9%	23.4%
3	12%	US High Dividend (SPYD)	2.9%	3.1%	-0.1%	7.1%	12.8%	15.6%	15.6%
4	12%	US Value (IUSV)	1.1%	1.0%	3.8%	8.4%	12.5%	16.4%	22.9%
5	12%	US Fundamentals (QUAL)	-0.9%	-1.0%	2.9%	8.1%	12.4%	15.4%	25.0%
6	12%	US Small-Caps (IWM)	2.0%	-3.0%	-5.4%	0.5%	5.7%	14.5%	24.5%
7	11%	US Large-caps (SPY)	-0.4%	-2.0%	2.4%	7.3%	12.8%	14.7%	33.2%
8	11%	US Growth (IUSG)	-1.7%	-4.3%	1.2%	6.2%	12.9%	13.9%	40.9%
9	6%	US Low Volatility (SPLV)	1.3%	3.2%	-0.5%	2.1%	5.5%	5.5%	7.7%
10	0%	Cash (SGOV)	0.1%	0.1%	1.0%	1.9%	2.8%	3.8%	8.4%

TIMING STRATEGIES: THE GLOBAL INDEX MODEL

TOP Index Model Move: HOLD US Large-caps (SPY) since 10/05/2026.

THIS WEEK: 1st MIXED-Risk week after 1 Risk-OFF week.

US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold DOWN

The best Global asset we monitor is US Large-caps (SPY). Positives: CI% is max. Technical strength is bullish (>60), and PMO is positive (>0). Negatives: PMO is weak and deteriorating. RSI is bearish (<50). SPY also touched a 20-day low (stop-loss) intraday on Friday but closed above it negating the stop for now.

Best Alternative: SGOV (cash) is the only other ETF in this model with a positive CI%, a TS+ greater than 50%, and a positive PMO.

	CI%	FUND	TS+	READ	RSI	PMO	+/-	condition
1	100%	US Large-caps (SPY)	69%	bullish	42.3	0.22	positive	deteriorating
2	66%	Emerging Markets (EEM)*	27%	bearish	32.3	-1.53	negative	deteriorating
3	44%	US Small-caps (IWM)*	21%	bearish	43.2	-1.47	negative	improving
4	20%	Short US Income (SGOV)	91%	very bullish	77.4	0.14	positive	deteriorating
5	9%	Developed Markets (EFA)*	39%	bearish	41.5	-0.72	negative	improving
6	-140%	Very Long US Bonds (EDV)**	20%	bearish	63.1	-0.31	negative	improving
7	-188%	Gold Bullion (GLD)*	7%	very bearish	34.1	-1.43	negative	deteriorating

Performance-wise, SPY leads over the 13, 26, and 39 weeks with 26w being a key metric in determining model confidence. EEM continues to hold year-to-date and 52-week honors.

	YTD	FUND	10/23/26	10/16/26	13wk	26wk	39wk	52wk
1	13.3%	Emerging Markets (EEM)	-1.3%	-5.9%	-4.0%	-2.6%	5.6%	14.9%
2	12.0%	US Small-caps (IWM)	2.0%	-3.0%	0.6%	-0.3%	4.8%	11.7%
3	11.4%	US Large-caps (SPY)	-0.4%	-2.0%	7.8%	6.3%	11.1%	13.4%
4	6.9%	Developed Markets (EFA)	-0.9%	0.1%	3.0%	1.9%	3.8%	11.1%
5	0.3%	Short US Income (SGOV)	0.1%	0.1%	1.9%	1.8%	2.8%	3.7%
6	-7.5%	Gold Bullion (GLD)	-4.0%	-0.7%	-14.9%	-13.5%	-20.0%	-2.9%
7	-9.2%	Very Long US Bonds (EDV)	2.5%	4.3%	-5.7%	-4.0%	-7.0%	-11.7%

Strategy	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Index Moose	20.2%	58.7%	5.5%	3.6%	-16.3%	11.7%	13.2%	-6.5%	5.1%	9.0%
Aggressive G&I (AOA)	7.6%	19.3%	11.5%	15.6%	-17.9%	13.5%	10.7%	12.5%	-6.2%	8.0%
Moderate G&I (AOM)	1.9%	11.0%	4.9%	9.2%	-16.4%	5.3%	7.7%	19.5%	-9.9%	14.1%

TIMING STRATEGIES: THE THRIFT SAVINGS PLAN (TSP) MODEL

Decision Moose Framework & TSP Investors--

The TSP Model uses the same momentum framework as the Global Index Model applying it to the specific Funds offered under the Thrift Savings Plan to Federal employees and military personnel. The two timing models are similar but not identical. TSP does not include a gold fund and it has one international equity fund instead of two. In addition the TSP small-cap fund (S) is more appropriately a small-midcap or residual fund (Total US equities minus the S&P500) and not comparable to the Global Index fund's Russell 2000 small-cap fund (IWM). These operational differences may lead to timing differences between the two.

What Is the Thrift Savings Plan?

The Thrift Savings Plan (TSP) is the retirement savings programme for US federal civilian employees and uniformed services members. It offers five core index funds — C, S, I, F, and G — plus Lifecycle (L) funds. With over \$800 billion in assets, it is one of the largest defined-contribution plans in the world. TSP participants can move between funds via interfund transfers, making it well-suited to a momentum-based rotation strategy. Note: TSP intra-fund switch restrictions (2 per calendar month) exist but rarely come into play. TSP is also priced end-of-day. Switches ordered before noon happen at that day's closing price. Switches made after noon are priced at the following day's close.

THIS WEEK: 1st MIXED-Risk week after 1 Risk-OFF week.

US Stocks MIXED, Foreign Stocks MIXED, Bonds UP and Gold DOWN

CURRENT TSP Model Signal: HOLD C Fund (US Large-caps)

(The TSP Model rotated to US Large-caps (C Fund) from Cash (Fund G) effective 9/23/2026, via CI and Buy-stop.)

US LARGE CAPS (C) are the best TSP asset we monitor. Positives: CI% is max. Technical strength is bullish (>60), and PMO is positive (>0). Technical strength and PMO are tops in the model. Fed rate hikes strengthen the Dollar and make dollar-denominated assets like US Large-caps (Fund C) more attractive than foreign equities (Fund I) and Small-caps (Fund S). Negatives: PMO is weak and deteriorating. RSI is bearish (<50). SPY also touched a 20-day low (stop-loss) intraday on Friday but closed above it negating the stop for now.

BEST ALTERNATIVE: Cash (G) is the only other timing choice in the model for which a positive PMO is improving. **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%	US Large-caps (C)	12%	74%	bullish	43.0	0.23	positive	deteriorating
2	71%	Lifetime 2060	10%	50%	bullish	40.3	-0.30	negative	deteriorating
3	56%	US Small-caps (S)	8%	26%	bearish	43.1	-1.03	negative	deteriorating
4	56%	Lifetime 2050	8%	50%	neutral	40.9	-0.24	negative	deteriorating
5	50%	Lifetime 2040	7%	50%	neutral	41.2	-0.19	negative	deteriorating
6	39%	Lifetime 2030	5%	54%	neutral	42.2	-0.09	negative	deteriorating
7	34%	International Fund (I)	7%	43%	neutral	35.5	-0.83	negative	deteriorating
8	21%	Long-term Inc (L)	3%	68%	bullish	45.2	0.04	positive	deteriorating
9	5%	Short-term Inc (G)	1%	101%	very bullish	100.0	0.20	positive	improving
10	-49%	Fixed Income (F)	-4%	15%	very bearish	61.2	-0.17	negative	improving

TSP Performance Progression

I Fund remains best YTD and over 39, and 52 weeks and 3 years. but C Fund has overtaken it of late and is best over 13, 26 and 39 weeks, 26 being a key metric in determining current model confidence (CI).

	Fund	THIS	LAST	13wk	26wk	39wk	52wk	YTD	3Y
1	International Fund (I)	-1.0%	-1.3%	-1.4%	3.5%	9.6%	18.5%	13.2%	42.6%
2	Lifetime 2060	-0.4%	-1.9%	-0.3%	7.8%	9.5%	15.8%	12.4%	35.9%
3	US Large-caps (C)	-0.5%	-1.9%	1.3%	11.3%	10.4%	15.6%	12.4%	33.5%
4	Lifetime 2050	-0.3%	-1.5%	-0.2%	6.6%	8.2%	13.5%	10.7%	30.9%
5	US Small-caps (S)	1.3%	-3.6%	-4.3%	5.7%	5.5%	9.2%	10.6%	27.1%
6	Lifetime 2040	-0.2%	-1.3%	0.0%	6.1%	7.7%	12.4%	9.8%	28.2%
7	Lifetime 2030	-0.1%	-0.9%	0.4%	5.4%	6.8%	10.8%	8.5%	24.6%
8	Long-term Inc (L)	0.0%	-0.4%	0.8%	3.8%	5.1%	7.6%	6.0%	16.2%
9	Short-term Inc (G)	0.1%	0.1%	1.4%	2.5%	3.6%	4.7%	3.8%	9.3%
10	Fixed Income (F)	0.5%	0.9%	-1.0%	-1.5%	-1.2%	-0.7%	-0.9%	5.2%

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

Strategy	2026 YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017
L2060	12.4%	22.6%	16.3%	23.3%	-15.9%	19.9%	new	--	--	--
L2050	10.7%	19.7%	14.0%	20.0%	-13.4%	16.3%	14.8%	23.3%	-6.0%	18.8%
L2040	9.8%	17.8%	12.9%	18.1%	-11.4%	14.5%	13.2%	20.7%	-4.9%	16.8%
L2030	8.5%	15.6%	11.5%	16.6%	-9.0%	12.4%	11.3%	17.6%	-3.6%	14.5%
TSP Moose	7.0%	15.3%	11.8%	16.5%	-3.4%	13.3%	21.8%	14.9%	6.5%	21.0%

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

MOOSPEAK

Dear Moose Friends—

As of Sunday morning (10/26/26) the newsletter is ready for publication, but the website is not. Buttons on the Home and Moosecalls pages accessing the PDF version seem to be functional this week. My mailing list is still deleted, however, so none of you are getting weekly reminders alerting you to market developments until I figure out how to restore your contact info. I have no idea how many of you are still out there, but it should be an interesting couple of weeks in the markets with a Fed meeting next Wednesday and mid-term elections the following Tuesday.

So It's a good time to pay extra attention to the US markets. There is nothing to suggest major difficulties in equities other than the calendar. (October always gets a bad rap) but the S&P did trigger an intraday stop-loss on Friday before closing above it. That said, the period after mid-term elections is usually the strongest period for stocks in the four-year Presidential cycle—no matter who wins. (A little extra certainty goes a long way, even if we're certain we're on our way to hell in a handbasket.)

So take heart and enjoy while I endeavor to get the site up and running again. —Bill Dirlam