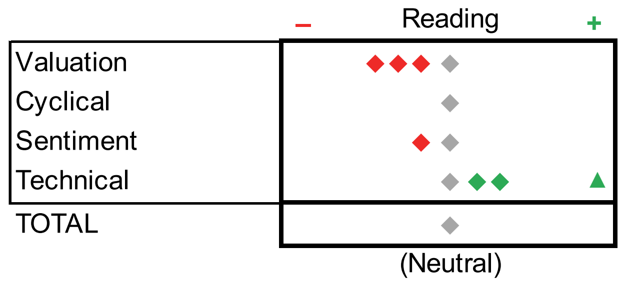
MAJOR TREND INDEX

By: Phil Segner, CFA

Report Date: April 13, 2026
Data for Week Ending: April 10, 2026

Major Trend Index



Last week, equity markets continued to cheer the dialing down of hostilities in the Middle East. The S&P 500 has advanced in seven of the last eight trading sessions, gaining almost 8%. Most indexes have now erased nearly all their losses from the start of the war and are only another "good week" below their all-time highs. Optimism is not in short supply; the weekend's breakdown of peace talks, and proposed blockade doesn't seem to be rattling the markets at all.

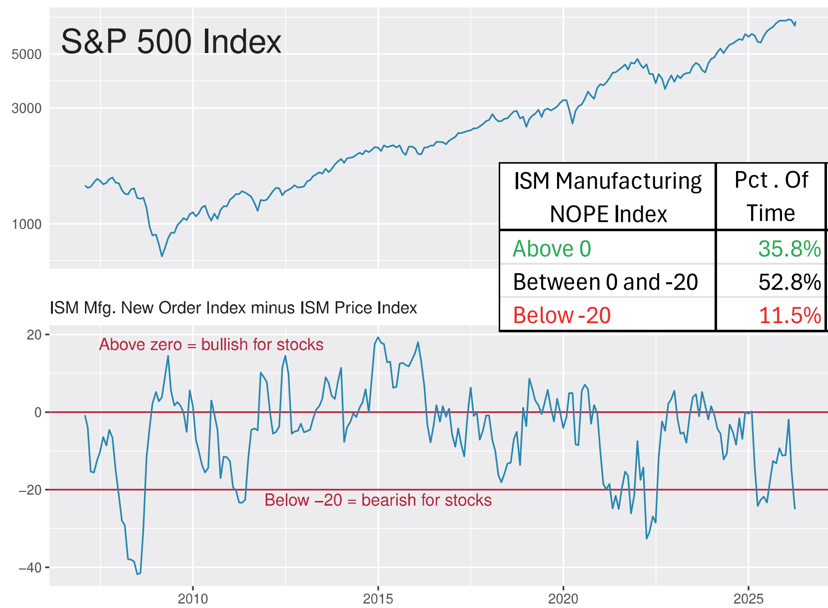
The V-shaped bounce has led to an upgrade in our Technical work, now reading +2. Consequently, the overall MTI moves up to Neutral. Due to the favorable market action, net equity exposure in Leuthold tactical accounts now stands at 49%—a level we don't feel needs adjustment, at present.

One- and two-notch upgrades were pervasive in the Trend subcategory, with indexes shifting back to the north side of their 200-day moving averages. The broad participation in the recent rally has also reversed flagging Breadth measures, which now look neutral overall. A return to robust pre-war conditions in the Technical factors seems possible even without an end to the war.

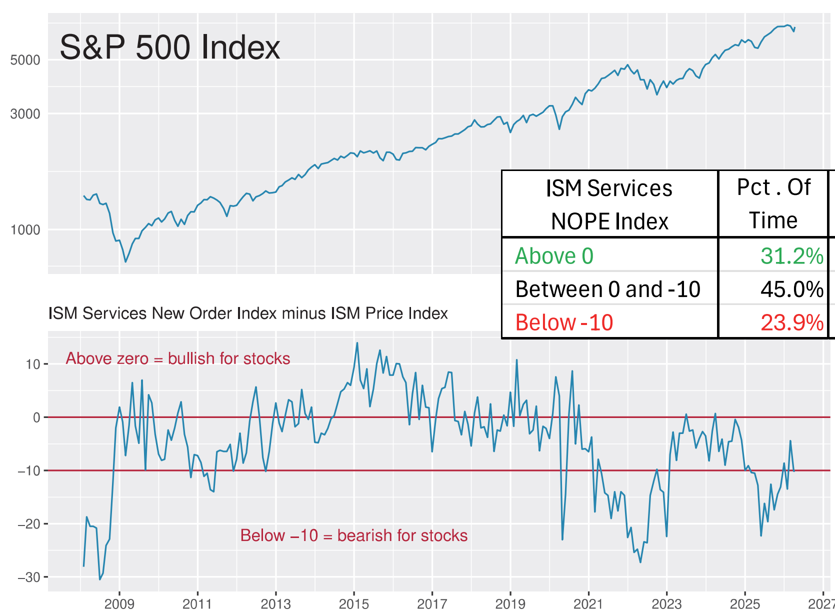
In the Cyclical category, improvements in the Risk-On/Risk-Off subcategory (credit spreads, currency movements) were met with deterioration in our inflation-related indicators. As expected, last week's month-over-month headline CPI figure (0.9%) was the hottest in four years. Also of note was the Atlanta Fed's Flexible CPI (4%), which sits above the Sticky CPI (3%) for the first time since 2022—another signpost of the start of something possibly bigger. For the time being, as highlighted in last Friday's "Inflation Watch" report, our assessment of these numbers seems to match the market: troubling but still benign.

The Institute of Supply Management also provided some sobering inflation data last week. The Prices Paid reading for both services and manufacturing hit their highest levels since mid-2022, with the month-over-month jump for the manufacturing series being the highest in nearly 14 years. Due to that, the NOPE Index (New Orders minus Prices) for both measures (which had shown some improvement) resides in their respective bearish zones for the first time in nearly a year.

We've become accustomed to our NOPE Index crying "wolf" over the last year and view this dual bearish signal through an appropriately skeptical lens. As the performance tables show, however, this study has earned its place in our Cyclical category quiver.



ISM Manufacturing NOPE Index	Pct . Of Time	S&P 500 Ann. Ret.
Above 0	35.8%	15.1%
Between 0 and -20	52.8%	11.2%
Below -20	11.5%	2.7%



ISM Services NOPE Index	Pct . Of Time	S&P 500 Ann. Ret.
Above 0	31.2%	13.2%
Between 0 and -10	45.0%	18.9%
Below -10	23.9%	-3.1%