MAJOR TREND INDEX

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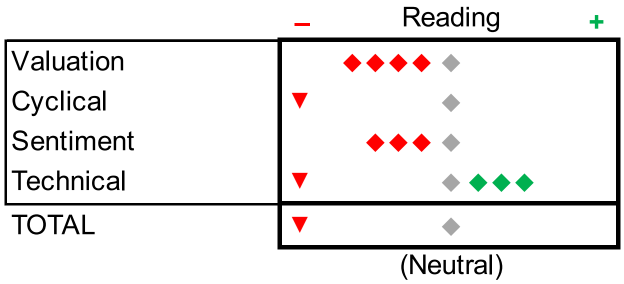
Data for Week Ending: March 6, 2026

Major Trend Index



Our two largest weighted categories—Technical and Cyclical—experienced matching downgrades for the week ended March 6th. These demotions dropped the overall MTI to Neutral. Net equity exposure in Leuthold tactical accounts was lowered from 56% to 51% by using the combination of selling long positions and increasing short positions.

As military air operations grind on in Iran, political change does not seem to be materializing as hoped. With the Strait of Hormuz effectively closed and Iranian attacks on regional energy infrastructure, production in the region is beginning to shutdown. All of this was reflected in last week's 36% gain in spot crude prices. The potential for a nasty, worldwide oil shock has increased significantly.

Downgrades were pervasive in our Cyclical work with demotions found in all sub-categories. In our previously tame Inflation section, the surge in energy prices has already appeared in our Cash Commodity Diffusion Index. Last week's big backup in bond yields—again partially due to inflation concerns—dinged a handful of our liquidity line items. Finally, the flight to safety to the U.S. Dollar highlighted the tremors in our section gauging the risk appetite of the market.

As the trend scores for tech-heavy indexes have cooled, our Technical work has become increasingly dependent on the market's improving breadth scores over the last few months. Last week, we saw a sharp relative drop in those "ancillary" indexes that had provided that breadth as the S&P 600 and 400 both lost 5% while the Nasdaq Composite fell only 1%. We should note that even with last week's downdraft, our Technical work still scores fairly well overall. The S&P 500 ended Friday only 3% off it's all-time high and six of our eight bellwether indexes were less than a month removed from their high water mark.

The NASDAQ's 10-Week High/Low Logic (HLLI) figures remain the biggest blemish in our Technical work. Both 52-week highs and lows remain simultaneously elevated in that index and this internal fragmentation has been a fairly reliable warning signal in the past. This "anticipatory" breadth measure is starting to show up more prominently in our NYSE HLLI study as well. That reading has spiked back to a level seen during November's market dip and just shy of a level we'd consider bearish. Clustered HLLI warning signals from both indexes would be a rare event—the last one occurring at the end of 2021—and might be cause for another Technical downgrade.