

MAJOR TREND INDEX

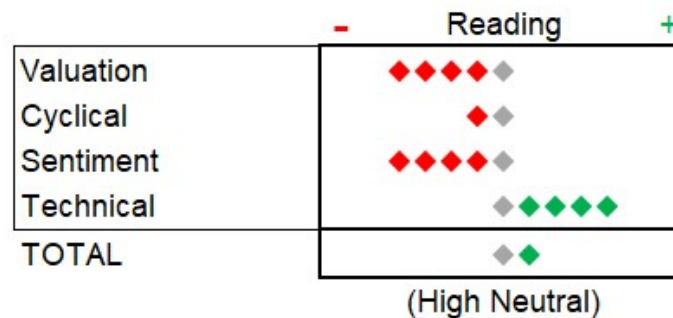
By: Phil Segner, CFA



Report Date: November 10, 2025

Data for Week Ending: November 7, 2025

Major Trend Index



The Major Trend Index was unchanged at a High Neutral reading of +1 for the week ended November 7th; in fact, the status has not changed since the beginning of July. Net equity exposure across Leuthold tactical asset allocation strategies stands at a moderate 55%.

As we reset our clocks and flipped the calendar to November, the Seasonal Cycle line item in our Sentiment work shifted from max negative to max positive. As highlighted in our latest Green Book, the next six months are traditionally the strongest stretch of the year and, historically, the Equal-Weighted S&P 500, Russell 2000, S&P 500 Value, and S&P 500 High Beta enjoy outsized relative returns. (S&P 500 EW results presented below.) Of course, those playing the seasonality game with the Cap-Weighted S&P 500—who sold in May and went away—just missed out on the best return (+24%) of any six month window since April 2021. And those same folks lost 2% in the previous “optimal” November–April stretch. Although the long-term story still holds, enthusiasm for the plain vanilla “in or out” seasonality cycle might be tempered for awhile.

Also within our Sentiment category, consumer attitudes about the economy continue to plumb new lows. The latest University of Michigan Survey of Consumers (posted last Friday) showed the Current Economic Condition Index declining from 58.6 to 52.3—a new all-time low in that data set going all the way back to 1977. The Expectations Index also sank and is just a few ticks away from that its all-time low set in June 2022 (matching up perfectly with headline inflation’s YOY peak of 9.1%). Weighing into these figures, of course, were: the never-ending government shutdown, stress about food assistance, and the largest October job cuts in 22 years.

Market breadth picked up a bit toward the end of last week (and is being reversed out today). Still, some rare good news for the worst-rated line item in the Technical category, the S&P 500 Equal-Weighted relative strength ratio—November 5th-7th was the best three-day window for that measure since April. The average stock would need to repeat that +1.4% outperformance almost every week for the rest of 2025 to pull even with the Cap-Weighted S&P 500 for the year.

Clients who have questions regarding any of the components or indicators should contact Doug Ramsey at 612-332-1567 or dramsey@LWCM.com

The Leuthold Group, LLC, provides research to institutional investors. The material herein is based on data from sources we considered to be reliable, but it is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed are subject to change.

FURTHER DISTRIBUTION OF INFORMATION CONTAINED IN THIS REPORT IS PROHIBITED WITHOUT PRIOR PERMISSION.

After reading the Green Book, we thought it appropriate to revive an older study monitoring a hypothetical portfolio that holds the Equal-Weighted S&P 500 during the traditionally strong seasonal months (November–April), and hides out in the relative “safety” of the Cap-Weighted S&P 500 during the seasonally weak period from May–October. 2025 is setting up to be another win for this switching strategy—the 25th time in the last 35 years.

- The strategy “alpha” of 2.2% per annum is remarkable considering the components of both portfolios are identical 100% of the time, and the component weightings are identical 50% of the time.
- This year, the November switch into the Equal-Weighted S&P 500 occurs with that benchmark at a 22-year relative strength low versus the Cap-Weighted index. An observation sure to tickle the fancy of contrarian investors.

Year	S&P 500 Total Return	Equal/ Cap-Wtd Switching Strategy Tot. Ret.
1991	30.5	36.0
1992	7.7	14.8
1993	10.0	13.9
1994	1.3	1.4
1995	37.4	37.0
1996	23.1	25.0
1997	33.4	26.7
1998	28.6	21.6
1999	21.0	18.7
2000	-9.1	1.2
2001	-11.9	-1.0
2002	-22.1	-12.8
2003	28.7	30.8
2004	10.9	14.3
2005	4.9	4.9
2006	15.8	17.7
2007	5.5	6.2
2008	-37.0	-36.7
2009	26.5	41.9
2010	15.1	21.1
2011	2.1	2.3
2012	16.0	18.3
2013	32.4	33.8
2014	13.7	15.1
2015	1.4	0.9
2016	12.0	15.5
2017	21.8	21.6
2018	-4.4	-4.6
2019	31.5	31.7
2020	18.4	13.3
2021	28.7	31.9
2022	-18.1	-14.7
2023	26.3	22.1
2024	25.0	16.8
2025YTD**	17.5	20.0
1991-2025YTD,		
Ann. TR	11.0 %	13.2 %
Std. Dev.	14.7 %	15.5 %
# Winning Years	10	25

©2025 The Leuthold Group

*Own the cap-weighted S&P 500 during May through October, and the equal-weighted S&P 500 from November through April.

**YTD performance through October 31st.