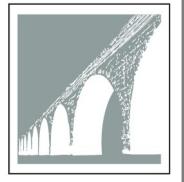


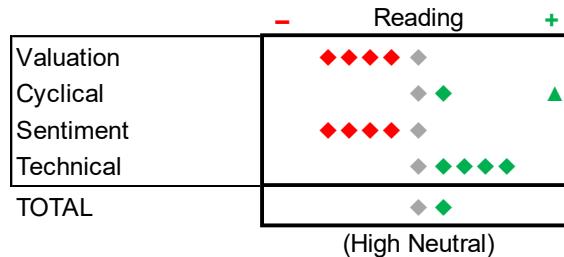
MAJOR TREND INDEX

By: Phil Segner, CFA



Report Date: January 12, 2026
Data for Week Ending: January 9, 2026

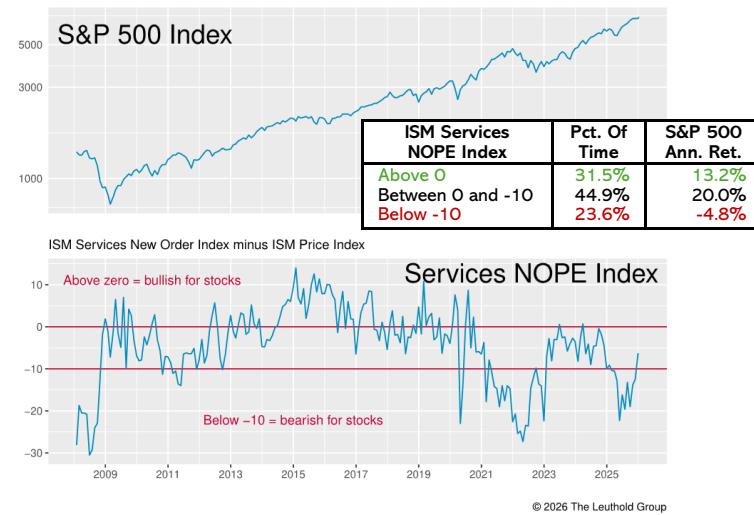
Major Trend Index



The first full week of 2026 featured another upgrade to our Cyclical work—the second in the last month. This bump was not enough to move the overall Major Trend Index out of High Neutral, however. Net equity exposure in Leuthold tactical accounts continues to rise with the market and now stands at 57%.

The equity market is plowing ahead despite a **wild** geopolitical start to the year. A new all-time high in the S&P 500 last Friday was accompanied by new highs in **six** of our eight bellwether indexes. One of the six was the Dow Jones Transport Index, which finally eclipsed its previous peak set way back in November 2024. Since Halloween, the Transports (+15%) have handily outperformed the S&P 500 (+2%). The only tape not in gear is the Dow Jones Utilities Index; it is twelve weeks and 9% removed from its prior high.

Every Cyclical sub-category saw improvements with our latest update. Liquidity conditions are on the up-swing, inflation seems to be moderating, and the appetite for risk isn't subsiding. Last Wednesday's very favorable ISM Services Survey pushed our Services NOPE Index* above its bearish threshold (-10) for the first time since November 2024. It's not a stretch to consider this a failed signal—much like its still very bearish sub-category neighbor, the Leading Economic Index. Still, since the GFC, our NOPE work has proved its worth.



The Technical category continues to shine alongside the Cyclical work that has swung positive for the first time in four years. However, given the Valuation risk profile, we won't be mashing the gas pedal to the floor anytime soon.

*The gap between ISM New Orders Index and ISM Price Index

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