

GIS Market Update

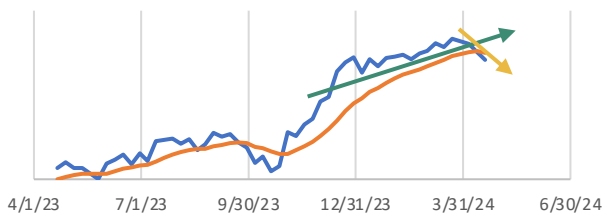
April 19, 2024



UPDATE NOTES: The graphs below are weekly basis, total return graphs. The moving average in the graphs is not a signal line, it is a reference line only. The green trendlines illustrate the most recent short-term trends.

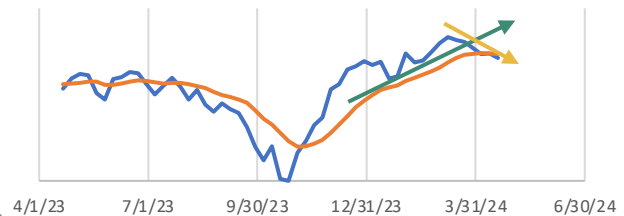
Corporate High Yield (HY) Bonds: Corporate high yield bonds have reversed their gradual uptrend to now exhibiting a down trend sufficient to both generate a sell signal for corporate HY bonds, but also a signal to move to an overall defensive mode for the market as a whole. This means we will now be trading with more sensitive, short term signals for stocks and Treasury bonds. **Our Corporate HY bond model is in a defensive mode fully invested in money market funds until a new corporate HY bond buy signal is generated.**

Lipper Corporate High Yield Bonds



Muni High Yield (HY) Bonds: Muni high yield bonds have been struggling somewhat to work higher along with HY corporate bonds. However, prior to the corporate HY bond sell signal, muni HY bonds generated their own sell signal. Now, both HY bond sectors are in similar defensive modes. This tends to be negative for both interest rates and stocks. **Our Muni HY bond model is now in a defensive mode fully invested in money market funds until a new buy signal is generated.**

Nuveen Muni High Yield Bonds



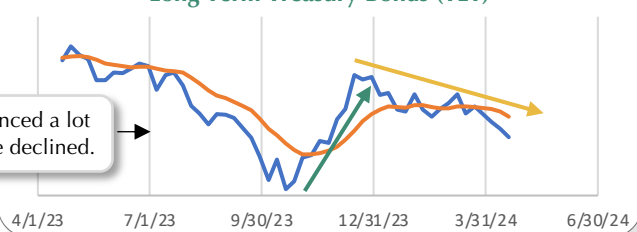
S&P 500: The stock market environment model we use in our Reversal strategy is now in a bearish, or defensive mode. This means we trade in full-size positions in both Treasuries and stocks. It also means we trade with a shorter time horizon. While our models have been bullish for most of 2024, we have followed our models as we always do. For now we are out of stocks and invested in Treasuries since stocks reached an extreme "spread" relative to Treasuries. **Our Reversal Model is in a defensive mode invested in full-size positions and at this time invested in Treasuries.**

S&P 500 (SPY)



Treasury Bonds: Last October Treasury bonds rallied off their low in anticipation of, or hopes that the Fed was on the verge of lowering interest rates. Since then, confidence in this course of action by the Fed has waned. As a result, treasury bond yields have gone up and prices have gone down. At this time, Treasury bonds have declined sufficiently in our models to make them the more attractive choice between stocks and bonds. **Our Reversal Model is in a defensive mode and currently favors bonds over stocks in full-size positions.**

Long Term Treasury Bonds (TLT)



Global Investment Solutions, LLC

Market commentary and update as of the market close 4/19/2024

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