

GIS Market Update

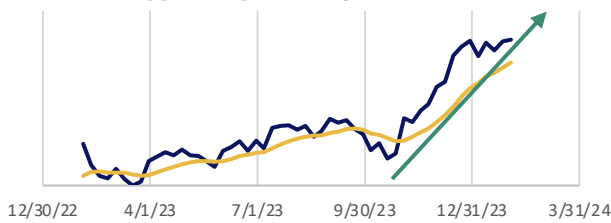
January 31, 2024



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.

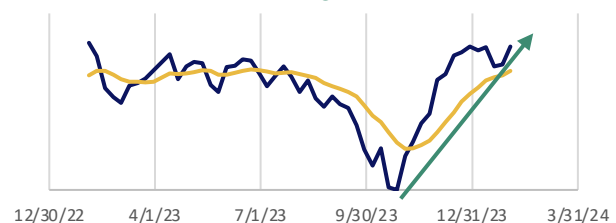
Corporate High Yield (HY) Bonds: Corporate high yield bonds have continued to edge higher along with the stock market. While HY bonds can act like either stocks or bonds they have recently been acting mostly in sympathy with the stock market. The strength in HY bonds also suggests there is little financial stress in the corporate economy. This bodes well for stocks and HY bonds but not so well for interest rates in general. **Our Corporate HY bond model is in an offensive mode fully invested in corporate HY bonds until a new sell signal is generated.**

Lipper Corporate High Yield Bonds



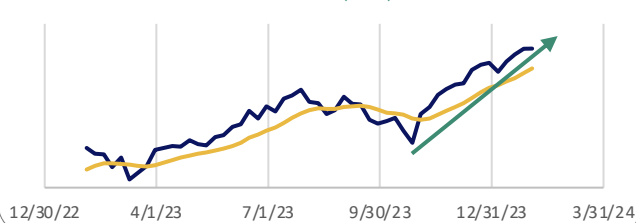
Muni High Yield (HY) Bonds: Muni high yield bonds have been holding relatively steady and recently have been rallying along with Treasury bonds. This is a market in which corporate HY bonds are trading like stocks and municipal HY bonds are trading like Treasury bonds. HY Muni bonds are now approaching a new buy signal based on their strength of the past several days. If this continues, our position will become offensive. **Our Muni HY bond model is now in a defensive mode but preparing for a new buy signal.**

Nuveen Muni High Yield Bonds



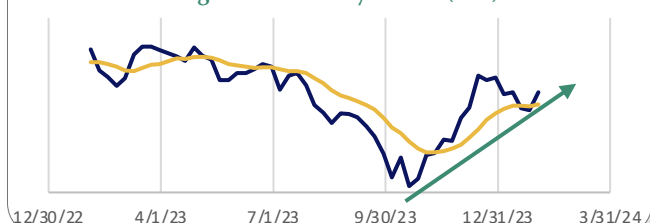
S&P 500: The stock market environment model we use in our Reversal strategy is in a bullish, or offensive mode. This means we trade in full-size positions in both Treasuries and stocks. It also means we trade with a longer time horizon. While our models are bullish as we enter 2024 we stand prepared every day for market conditions to change as they regularly do throughout every year. The trend has been our friend for many weeks. But, we stand at the ready when conditions change. **Our Reversal Model is in an offensive mode invested in stocks and trading in full-size positions.**

S&P 500 (SPY)



Treasury Bonds: Treasury bonds have recently rallied off their low in anticipation of, or hopes that the Fed is done raising interest rates. Markets being what they are, markets are already looking forward to the Fed lowering interest rates which they have said they are unlikely to do for some time to come. During such periods when optimism rules market action, markets can get ahead of themselves. We will continue to follow our models avoiding the guessing game about the future. **Our Reversal Model is in an offensive mode and currently favors stocks over bonds in full-size positions.**

Long Term Treasury Bonds (TLT)



Global Investment Solutions, LLC

Market commentary and update as of the market close 1/31/2024

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