

Year of the Yang Fire Horse

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Chapter 1: Introducing the Economic Modern Family Animated Series!



Before we dive into our 2026 Outlook, here's a huge announcement...

We're launching something brand new after the New Year — the **Economic Modern Family Animated Series!**

Thanks to cutting-edge AI, our Family now **moves, talks, reacts, teaches, entertains — and truly comes to life.**

We'll be rolling out fast, fun, vertical-format clips packed with **smart, timely financial insights for EVERY age** — delivered as infotainment with personality and heart.

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Chapter 2: Year of the Yang Fire Horse

The Year of the Yang Fire Horse is an explosive blend of bold momentum, fierce independence, and catalytic change—a time when passion surges, risks feel irresistible, and movement accelerates across every domain of life.

Yang Fire brings outward expression, illumination, charisma, and volatility; the Horse adds raw speed, freedom, and audacity. Together they create a year defined by rapid breakthroughs, dramatic pivots, courageous initiative, and a refusal to be constrained by tradition or caution.

It's a cycle where big swings—creative, financial, political, or relational—can yield extraordinary gains *or* spectacular missteps, rewarding those who channel the fire into purpose while maintaining enough grounding to avoid burning out.

Last time there was a Year of the Fire Yang Horse was 1966.

2026 Yang Fire Horse

Macro Outlook & Market Sentiment

- Strong **Yang Fire** → symbolizes confidence, optimism, and economic expansion.
- Fire's return after years of "water dominance" (2018–2024) suggests **global economic recovery**.
- Market sentiment turns bullish due to renewed optimism, activity, and consumption.

Stock Market Expectations

- **Stock markets expected to rise sharply from February–July 2026**, with a mild slowdown August–January.
- Optimistic environment persists into 2027 (another Fire year).
- Fire = confidence + spending → supports **equities, growth sectors, risk assets**.

2026 Sector Forecast Table — Yang Fire Horse Year

Sector / Industry	Element Association	2026 Outlook	Rationale
Shipping & Maritime	Water	★★★★★ Best	Fire = money to Water; strong profits and trade rebound.
Transportation (Air, Rail, Logistics)	Water	★★★★★ Best	Beneficiary of increased travel, trade, and Water–Fire money cycle.
Communication, Telecom, Internet Infrastructure	Water	★★★★★½ Very Strong	Water industries highly favorable; digital activity surges.
Media, Entertainment, Streaming	Wood	★★★★★½ Very Strong	Wood feeds Fire → growth, creativity, strong consumer demand.
Fashion, Apparel, Design	Wood	★★★★★ Strong	Wood productivity expands under strong Fire years.
Environmental, Sustainability, Forestry	Wood	★★★★★ Strong	Growth-oriented Wood sector thrives with Fire support.
Banking & Financials	Metal	★★★★★ Strong	Fire “refines” Metal; confidence increases lending, activity, and profitability.
Autos, Machinery, Engineering	Metal	★★★★★½ Positive	Fire enhances value of Metal industries; strong global trade helps.
High-Tech Hardware / Semiconductors	Metal	★★★★★½ Positive	Innovation cycle supported, especially in Asia.
Gold & Precious Metals	Metal	★★★★★ Strong	Fire boosts gold demand; historical Fire-year strength.

Sector / Industry	Element Association	2026 Outlook	Rationale
Energy, Power Generation, Utilities	Fire	★★★ Constructive but Competitive	Strong activity but intense competition; volatility possible.
Entertainment, Restaurants, Hospitality	Fire	★★★ Positive	Consumer optimism lifts spending; competition limits margins.
Crypto, Metaverse, Speculative Tech	Fire	★★★★★ Strong Speculative Tailwinds	Fire boosts confidence, digital speculation, and risk appetite.
Real Estate / Property	Earth	★★★½ Moderate	Limited Water reduces financial gains; optimism prevents downside.
Construction & Infrastructure	Earth	★★★½ Moderate	Not strongly supported by Fire but stable via economic activity.
Insurance	Metal / Earth	★★★½ Mixed	Risk events rise, but activity increases; neutral overall.
Healthcare & Biotech	Wood / Water	★★★½ Mixed	Some support from optimism, but not a primary Fire-cycle beneficiary.
Agriculture	Earth / Wood	★★★ Weak to Neutral	Lacks Water support; Fire dominance causes imbalance.
Mining (Non-precious)	Earth / Metal	★★★ Weak	Some support from Metal, but overall not a Fire-cycle standout.

Top 5 Winners of 2026

1. Shipping
2. Transportation / Logistics
3. Telecom & Communication
4. Media & Entertainment
5. Banking & Financials / Gold

Bottom 5 Laggards

1. Agriculture
2. Non-precious mining
3. Traditional construction
4. Certain Earth-heavy industries with no Water flow such as chemical plants, commercial and residential real estate, mining and metals extraction
5. Healthcare/Biotech (relative underperformance vs. Fire-driven sectors)

Common Themes Across Innovations

- ✓ **AI everywhere** — not just software, but physical systems and infrastructure
- ✓ **Decentralization + tokenization** — finance, identity, assets
- ✓ **Energy flexibility and resilience** — nuclear, storage, grid AI
- ✓ **Healthcare moving from treatment to cure**
- ✓ **Robotics and automation entering daily life**

Chapter 3: Review Outlook 2025

1. Sectors/Themes Predicted to Rally That Did

● Asian & Emerging Markets

- Call: Boom in Asian/EM equities, especially China/Asia ex-Japan.
- Result: **Yes.** MSCI Asia ex Japan is up ~29% YTD, beating global equities. EEM is up ~30% YTD.

● Precious Metals (Gold & Silver)

- Call: Gold and silver as standout winners in a fiery, inflationary, geopolitical environment.
- Result: **Huge win.** GLD is up ~66% YTD; silver has been even stronger, with SLV up around 80–100% depending on measure.
- BIS is literally warning about a **gold + stocks “double bubble”** after gold’s ~60% surge in 2025.

● Copper / Industrial Metals

- Call: Copper and related plays as part of the reflation/infrastructure/EV build-out.
- Result: **Worked.** COPX (copper miners) shows ~60%+ type returns over key lookbacks in 2025.

● AI / Semiconductors / Tech Megatrend

- Call: AI and semis as a continuing megatrend, with hardware strength and a gradual tilt toward software/quantum.
- Result: **Big win.** SMH is up ~40–50% YTD, far ahead of tech as a whole and the S&P 500 (~17% YTD).
- Tech/AI ETFs remain the top-inflow and top-performing sector group. [MarketWatch](#)

● Blockchain / Crypto-Equities (not Bitcoin itself)

- Call: Metaverse/crypto-related equities as a speculative beneficiary of returning “fire.”
- Result: **Yes at the equity level.** BLOK is up ~40–65% YTD, vastly outperforming most sectors.

● “Vanity Trade” (Beauty, Skincare, Aesthetics)

- Call: Diet-drugs + beauty/vanity as a key megatrend (health, skincare, cosmetics).
- Result: **Mixed but generally positive.**

- **ULTA** is up ~38% YTD and just broke to fresh all-time highs after stellar earnings.
- Broader healthcare via XLV is positive but not leadership (low-teens YTD).

● **Emerging Markets Broadly**

- Call: Shift away from a totally US-dominated cycle; EM due for catch-up.
- Result: **Yes.** EEM is up ~30% YTD, beating the S&P 500's ~17% and confirming the "EM catch-up" theme.

2. Sectors/Themes Highlighted That Did Not Do Particularly Well

● **Bitcoin Itself (vs. Crypto Equities)**

- Call: Bitcoin with room to run toward ~130k, part of the speculative "fire" story.
- Result: **Disappointment vs. the hype.** Bitcoin is roughly flat to slightly negative YTD (about -2-3%), and ~20-25% below its October high, even as gold and equities ripped.

● **Tourism & Airlines (Travel Theme)**

- Call: Big upside in tourism, airlines, and travel as fire returns.
- Result: **Fundamentals strong, stocks meh.**
 - Air travel demand hit record highs in 2025, but JETS ETF is only up low single digits YTD and lags industrials broadly.

● **U.S. Transportation/Logistics ETFs**

- Call: Transport/shipping/logistics as beneficiaries of Water-Fire money cycle and reshoring.
- Result: **Underwhelming vs. the market.** IYT is positive (high-single to low-teens % YTD) but trails both its sector category and major indices.

● **U.S. Retail (Granny XRT as a Tell)**

- Call: Retail as an important barometer, with upside if consumers stay healthy.
- Result: **Small gain, not leadership.** XRT is up only mid-single digits YTD, lagging consumer cyclical and the S&P.

● **Regional Banks (KRE)**

- Call: Important economically, with potential upside if economy/reshoring theme plays out.
- Result: **Lagging.** KRE sits around flat on a 1-year basis with only low-single-digit YTD gains – far behind tech, EM, metals, and even the S&P.

• Oil/Energy Equities

- Call: Two-way setup, but you outlined reasons oil could soften.
- Result: **No big rally.** XLE is only up low-single digits YTD, underperforming most risk assets and confirming that crude/energy were not the place for outsized gains in 2025.

• Agriculture / Softs as a Group (DBA)

- Call: Soft commodities as part of the inflation trifecta – big move possible, but very two-sided.
- Result: **Mostly sideways.** DBA is roughly flat YTD, vastly underperforming metals and EM.

• GLP-1 “Diet Drug” Leaders (Novo Nordisk as Poster Child)

- Call: Diet drugs & health as a megatrend.
- Result: **Theme intact, flagship stock weak.** NVO is down ~40%+ YTD despite prior multi-year outperformance, even as some vanity/beauty names like ULTA surged.

One last note: I must add a 100%+ winner that I gave to Money’s Shows 2025 picks and talked a lot about on media. **Rivian.** The stock began the year at \$10 a share and ended the year hitting \$20 a share.



Rivian Automotive (RIVN)

Michele Schneider
MarketGauge

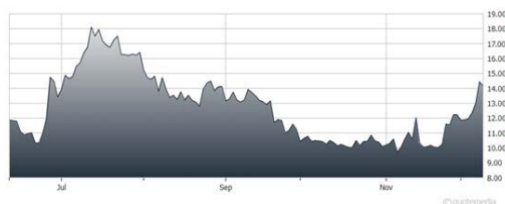


While Electric Vehicles (EVs) could potentially lose tax credits, **Rivian Automotive Inc. (RIVN)** Rivian has had a few blistering headlines in the last few years. We believe that lower ticket prices and the potential for higher gas prices will bring EVs back into favor regardless, advises **Michele “Mish” Schneider**, chief strategist at [MarketGauge](#).

First, Rivian earned \$6.6 billion in a loan from the Feds for a new manufacturing facility in Georgia. It will give them the capacity to increase annual production to 400,000 vehicles.

Second, Volkswagen and Rivian entered an agreement where VW is investing \$5.8 billion as part of a 50% stake in developing vehicle software, including battery modules. Rivian can also now use **Tesla Inc.’s (TSLA)** superchargers.

Rivian Automotive Inc. (RIVN)



This money will allow Rivian to launch the R2 SUV with a targeted \$45,000 starting price.

Amazon.com Inc. (AMZN) also ordered 100,000 Rivian vans through 2030. Plus, it holds a 15% stake, making Amazon Rivian's biggest shareholder. While Rivian has halted production of the Amazon electric vans because of a parts shortage, the plan is to make up for the missed production.

That Rivian is made in America puts the company in a better position given potentially higher tariffs on imported EVs. We would like to see the stock hold \$11 per share. A breakout over \$15 could take this stock to \$21 and beyond.

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Chapter 4: The ECONOMIC Modern Family 2025

Here's how the **Economic Modern Family** actually shook out in 2025, mapped to a simple **OW / MW / UW** grid based on the Snake-year outlook vs reality.

2025 Scorecard – Economic Modern Family

Reference: S&P 500 \approx **+17% YTD** as of early December 2025.

Key;

OW: Overweight

MW: Market Weight

UW: Underweight

Member	2025 YTD Perf*	vs. S&P	How 2025 Outlook Framed It	What Actually Happened	Hindsight Stance
Granddad Russell (IWM)	\sim +14%	Slight lag	Big opportunity if it cleared key levels (reshoring, "Made in America", small-cap catch-up).	Solid up year but still lagged SPY and EM; not true leadership.	MW / slight OW (call partially worked, not a monster winner).
Granny Retail (XRT)	\sim +5%	Clear lag	"Watch this for consumer health" – upside if she broke out and held.	Consumer held up, but retail stocks underperformed badly vs S&P/tech.	UW (bullish potential didn't fully materialize).
Transports (IYT)	\sim +13%	Slight lag	Framed as mixed / fragile , very dependent on business cycle and 23-month MA.	Respectable gain, but lagged industrials and broad market , with choppy trend.	MW to slight UW (neutral call was about right).
Sister Semis (SMH)	\sim +50%	Big out-performance	AI + semis highlighted as a core megatrend , with room for another leg higher.	Absolutely exploded higher , one of the best performers in the market.	Strong OW (call was spot-on; this was the Family's star).

Member	2025 YTD Perf*	vs. S&P	How 2025 Outlook Framed It	What Actually Happened	Hindsight Stance
Biotechnology (IBB)	~30%	Outperformed	Flagged as standout with big upside if it held key long MAs (immunology, diet drugs, pharma tailwinds).	Broke out and crushed the health sector and S&P.	OW (bullish bias fully validated).
Regional Banks (KRE)	~9% ~flat 1-yr	Big lag	Treated as problem child / stress barometer , <i>not</i> in a clear bullish phase.	Very choppy, well behind financials and the S&P; 1-yr TR ~0%.	UW (cautious stance was correct).
Crypto (proxy BTC)	≈ -1-2% YTD vs S&P +17%	Big lag	View: strong upside potential (targets around 130k), key “fire” risk-on asset.	Huge round-trip: made new highs in October, then slumped , ending roughly flat/negative on the year while equities & gold soared.	UW in hindsight (the optimistic call did not play out on a full-year basis).

Chapter 5: The Economic Modern Family 2026

How the Family Likely Behaves in 2026

2026 is a “fire on fire” year, meaning:

- risk assets become more active
- speculative sectors outperform
- tech and innovation accelerate
- Asia strengthens
- Metals (esp. gold/silver) keep rising
- Consumer staples/defensives lag
- Banks struggle unless the Fed provides unexpectedly aggressive easing

Thus:

- The **innovators** lead (SMH, IBB, BTC).
- The **growth beta** (IWM) improves materially.
- The **economic indicators** (IYT, XRT, KRE) remain mixed and reflect internal U.S.-cycle softness

Likely Leaders in 2026

NOTE: All Charts have monthly timeframes with 23-month (blue) and 80 month (green) Moving averages (**2-year and 6-8 year business cycles**)

Sister Semiconductors — SMH



2025 takeaway: Destroyed everything ($\approx +50\%$).

2026 drivers:

- Fire year = technology, speed, speculation → AI continues to accelerate.
- Shift from hardware → software, but semis still ride data-center, inference, and edge-AI demand.
- Asian markets strong → supports SMH components (TSMC, ASML customers, etc.)

2026 stance: Overweight (OW)

Expected behavior: Leadership persists but **more volatile**, with explosive upside bursts around AI/model-cycle news.

2026 drivers:

- Fire boosts **risk appetite, medical innovation spending**, and speculative biotech flows.
- Diet drugs remain a multi-year secular story even if rotations within the group change.
- M&A likely picks up with strong cash positions across big pharma.

Expected behavior: Trend continuation, potential new highs, strong seasonality Feb–July.

Crypto Proxy — BTC / IBIT



2025 takeaway: Underperformed full-year despite big swings. The monthly chart shows clutch support at the 23-month moving averages, giving investors a perfect risk point to consider.

2026 drivers:

- Fire year = **speculation + risk-taking returns**.
- Crypto ETFs are normalized; more money flows from traditional channels.
- AI + blockchain integration narratives strengthen.

Key point: Crypto typically does best **after weak or flat years**—2025 sets up a coiled spring.

2026 stance: Overweight (speculative OW)

Expected behavior: Huge volatility but likely significant upside, especially in Q2–Q3 fire cycle.

Likely Middle-of-the-Pack Performers

Granddad Russell 2000 — IWM



2025 takeaway: Up nicely but still lagged true leaders.

2026 drivers:

- Fire → economic expansion, risk appetite → small caps tend to thrive.
- If reshoring/manufacturing incentives continue → IWM benefits.
- Rotation out of mega-cap AI at points in 2026 may provide windows of leadership.

2026 stance: Market Weight trending to Overweight

Expected behavior: Breakout attempts above the 2021/2024 highs; IWM could **finally catch up** if breadth expands.

Transportation — IYT



2025 takeaway: Positive but underwhelming vs. industrials/tech.

2026 drivers:

- Fire year = **travel, tourism, mobility**, which benefits transports.
- Asian growth cycle + shipping/logistics tailwinds from Water–Fire interaction.
- However: Fuel costs + labor pressures can mute gains.

2026 stance: Market Weight

Expected behavior: Choppy but improving; airlines still struggle relative to rails/shipping.

Potential Laggards / Defensive Members

Granny Retail — XRT



2025 takeaway: Consumer strong, retail stocks not.

2026 drivers:

- Fire boosts confidence, but consumers face higher interest costs + inventory/regional divergence.
- Spending shifts toward travel, **beauty, health (AKA the Vanity Trade)**, experiences → not evenly captured by XRT.

2026 stance: Underweight (UW)

Expected behavior: Range-bound unless wage growth accelerates sharply or inflation cools.

Regional Banks — KRE



2025 takeaway: Still structurally weak; only modest YTD gains.

2026 drivers:

- Fire year = optimism, but:
 - Yield curve still unstable
 - CRE stress lingering
 - Small-bank profitability below trend
- Rate cuts help—but credit risk rises as economy heats.

2026 Stance: Underweight

Expected behavior: Whipsaw-heavy; unlikely to lead unless there is a surprise convexity shift (faster rate cuts + CRE bailout).

2026 MODERN FAMILY PLAYBOOK

Guided by the Yang Fire Horse year — confidence, volatility, expansion, and rotation.

Sister Semiconductors – SMH

Role: Innovation engine / AI proxy / risk-on throttle

2025 Status: Elite leadership (+50% YTD)

Key Levels

- Bullish continuation: > 260
- Major breakout: > 300
- Risk/off-cycle caution: < 200 (23-month MA zone)
- Reversal / cycle break: < 180

2026 Targets

- Base case: 310–330
- Fire-year extension: 350–375 (if software+hardware cycle accelerates)

Risk Signals

- Earnings failure in AI infrastructure
- Sudden shift away from chips → software
- Taiwan/geo-political supply-chain shocks
- SMH loses **200** on a monthly close

Strategic Stance: Strong Overweight (OW)**

Leadership persists but becomes more volatile — classic Fire Year behavior.

Biotechnology – IBB

Role: Health, pharma, longevity, GLP-1, M&A

2025 Status: Breakout performer (+30% range)

Key Levels

- Bullish continuation: > 145
- Major expansion: > 160

- Warning zone: < 130 (23-month)
- Trend break: < 118 (80-month)

2026 Targets

- Base case: 155–165
- Speculative upside: 180

Risk Signals

- Diet-drug trade rotation/stalling
- FDA/regulatory shocks
- High-yield stress (biotech relies on financing)

Stance: Overweight (OW)

Fire year boosts innovation + speculative appetite → strong continuation expected.

Crypto Proxy – BTC (or IBIT)

Role: Speculation, risk-on, liquidity throttle

2025 Status: Underperformed full-year but built a huge base

Key Levels (BTC)

- Reclaim strength: > 100k
- Breakout: > 115k
- 2026 fire-cycle parabolic zone: > 130k
- Warning: < 95k
- Cycle break: < 78k

2026 Targets

- Base case: 115–135k
- High-volatility Fire-year extension: 150–160k

Risk Signals

- Spot ETF outflows
- Regulatory shocks
- Falling liquidity (TLT rising too fast, recession signs)

Stance: Speculative Overweight (OW)

High volatility but ideal environment for crypto to revive after a flat 2025.

Granddad Russell 2000 – IWM

Role: U.S. economic heartbeat, breadth indicator

2025 Status: Up but still lagged SPY

Key Levels


- Structural breakout: > 245
- Major trend turn: > 260
- Weakness returns: < 220
- Stagflation alarm: < 210

2026 Targets

- Base case: 260–275
- Full breadth expansion: 290

Risk Signals

- Rate cuts too slow
- Small-cap credit risk (CRE/regionals exposed)
- Narrow leadership (MAG/AI continue dominating)

 **Stance: Market Weight → Overweight on breakout**

Watch the **January → July calendar range** for confirmation.

Transportation – IYT

Role: Movement of goods/people, inflation tell, economic pulse

2025 Status: Positive, but not leadership

Key Levels

- Bullish continuation: > 290
- Major breakout: > 310
- Caution: < 260
- Recession alarm: < 240

2026 Targets

- Base case: 305–320

- Travel/tourism fire-cycle boost: 330

⚠️ Risk Signals

- Oil spikes
- Slowing consumer discretionary
- FedEx/UPS warning cycles

📊 Stance: Market Weight (MW)

Could improve if tourism + shipping surge in the Fire cycle.

Granny Retail – XRT



Role: Consumer health, GDP proxy

2025 Status: Weak vs. market

🔑 Key Levels

- Bullish shift: > 85
- Trend confirmation: > 100
- Consumer weakness signal: < 75
- Major trouble: < 70

🎯 2026 Targets

- Base case: 90–100
- Full consumer revival: 110

Risk Signals

- Wage stagnation + sticky inflation
- Inventory gluts
- Student loan & credit stress re-emerging

Stance: Underweight (UW)

Consumer enthusiasm is high, but retail stocks remain structurally challenged.

Regional Banks – KRE

Role: Credit conditions, CRE stress, loan demand, recession detector

2025 Status: Weakest Family member (flat/low-single-digit)

Key Levels

- Recovery attempt: > 55
- Breakout / new credit cycle: > 65
- Stress warning: < 45
- Systemic risk zone: < 40

2026 Targets

- Base case: 53–60
- Bullish surprise (rapid cuts): 65–70

Risk Signals

- CRE defaults rise
- Curve stays inverted
- Bank lending standards tighten further

Stance: Underweight (UW)

Still the sector most at risk unless the Fed cuts more aggressively than expected.

🌀 How to Use This Playbook in 2026

1. Watch the January → July 6-Month Calendar Range

Fire years explode early; confirmation comes when each Family member clears its calendar range.

2. Rotate Toward Fire-Driven Sectors

Tech, biotech, crypto, travel, metals.

3. Use the Family to Diagnose U.S. Macro Health

- If **IWM, XRT, KRE** all fail simultaneously → U.S. slowdown/stagflation risk.
- If **SMH + IBB + BTC** lead without broad participation → narrow speculative rally.

4. Expect Volatility

Fire years = sudden rallies and sudden reversals.

Levels matter more than narratives.

Remain Aware of Influential Economic Forces that Could Have an Impact



Chapter 6 Megatrends and Top Picks

The 2026 Meta-Theme: “Infrastructure for a New World”

All 10 megatrends share one underlying principle:

2026 is the year the world reinvests in the physical and digital scaffolding of the future — power, chips, security, health, supply chains, and human productivity.

This is a Yang-Fire-Horse kind of year:
fast, bold, directional, disruptive, and transformative.

1. AI Industrialization & Hyper-Automation

From experiments to infrastructure build-out.

2026 is when AI stops being a “software moment” and becomes a **full industrial revolution**.

- Massive data-center build-outs (power, cooling, land)
- AI-augmented labor replacing mid-skill roles
- Chip supply chains get national-security treatment
- Accelerated enterprise automation

Winners: SMH, cloud-accelerators, utilities with power capacity, industrial automation, robotics, cybersecurity.

CrowdStrike Monthly Chart



Serve Robotics Monthly Chart



2. Energy Shockwave: Nuclear, LNG, and Grid Reinvention

The world's grid is hitting its limit. AI, EV chargers, crypto mining, and weather stress accelerate investment.

- SMRs enter commercial deployment
- Uranium supply remains structurally tight
- LNG becomes the geopolitical swing-fuel
- Grid modernization becomes mandatory infrastructure

Winners: URA, utilities, LNG exporters, engineering & construction, transformers, copper.

URA Monthly Chart



3. The New Consumer: Thinner Wallet, Thinner Waistline

A two-speed consumer world emerges.

- Weight-loss drugs reshape food, retail, restaurants, apparel (“smaller fits,” health-forward branding)
- Budget pressure drives trading-down and off-price strength
- “Experiences over goods” remains a core behavior

Winners: XRT leaders with pricing power, athleisure, healthy food chains, discount retail.

Novo Nordisk Monthly Chart



Ulta Beauty Monthly Chart



4. Industrial Re-Onshoring & Supply-Chain Sovereignty

Governments and corporations pull production closer to home.

- Chips, batteries, defense components
- Strategic minerals, fertilizers, agriculture inputs
- Mexico, India, and Southeast Asia gain market share

- Automation closes the labor-cost gap

Winners: Industrials, logistics hubs, rails, robotics, manufacturing software, IYT if momentum returns.

INDA Monthly Chart



PLUG Monthly Chart



5. Interest-Rate Normalization + Capital Rotation

Central banks stabilize policy after a volatile multi-year tightening cycle.

- Yield curves begin to steepen
- Value, cyclicals, and financials re-accelerate
- Loan growth returns
- Higher-for-longer supports bank profitability

Winners: KRE, JPM/BAC/GS, dividend/value sectors.

Monthly Chart 10-Year Treasury Note



6. Geopolitical Fragmentation & Defense Supercycle

2026 is the peak of a global rearmament cycle.

- U.S., Europe, Japan, India ramp spending
- Drone warfare, cybersecurity, satellites
- Supply chains move to allied countries

Winners: Defense primes, semis, aerospace, cybersecurity, space.

ASTS Monthly Chart



7. Climate Volatility Meets Food Insecurity

Weather instability + strained water systems + geopolitical grain tensions = a new agricultural era.

- Crop failures, volatile yields
- Investment in water tech, controlled environment agriculture, fertilizers
- Commodities trend higher as structural scarcity persists

Winners: Ag commodities, water ETFs and water treatment companies, fertilizer companies, farmland REITs.

Pentair Place PNR Monthly Chart



Monthly Chart DBA ETF



8. Crypto Matures Into an Institutional Asset

Post-regulatory clarity + global adoption turns Bitcoin and top-tier crypto into a macro asset class.

- BTC becomes a reserve complement for several nations
- Tokenized real-world assets (RWAs) scale
- Institutional custody and derivatives deepen

- AI + crypto infrastructure merges

Winners: BTC, ETH, exchange platforms, miners with cheap energy.

Bitcoin Monthly Chart



9. Media Reinvention: Short-Form, AI Content, and New Monetization

The entertainment stack flips.

- TikTok-style micro-series become billion-dollar categories
- AI-generated content competes with legacy media
- Global distribution (India, LatAm, Africa) drives growth
- Bundling returns as streaming economics tighten

Winners: NFLX, DIS, social platforms, telecom + media hybrids.

Monthly Chart Disney



10. Human Longevity, Biotechnology & Regenerative Health

2026 is a breakout year for biotech 2.0.

- Gene editing therapies scale
- Regenerative medicine milestones
- Aging-related diseases become first-line targets
- Personalized medicine enters mainstream

Winners: IBB, gene-editing companies, obesity-drug adjacencies, diagnostics.

Replimune Group REPL Monthly Chart



Note about the Dollar, Interest Rates and Hard Assets

Bottom line-FF's rate target not a surprise, interest rates lighter, and at the end of the day???

The **DOLLAR** will matter most - my prediction DXY



Chapter 7: Important Links, Contact Info, Bio, Acknowledgements

In 2026, I am pivoting to our new project, bringing the Economic Modern Family to life!

MORE ON THAT

The Daily will be replaced with digestible clips from my timely media interviews and links to the Economic Modern Family videos and links.

Geoff and Keith will continue to write Sunday Outlook with content and a video recording.

Subscribe to our YouTube channel <https://www.youtube.com/@marketgauge> to see media hits.

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Please allow me a few acknowledgements of our wonderful staff and partners, all of whom are an integral part of our team and the bloodline of MarketGauge:

Keith Schneider, CEO (and hubby); Geoff Bysshe, President; James Kimball Director of Quantitative Trading Systems; Ben Scheibe, MGAM Managing Director; Alan Friedman, Data Science AI Director; Zach Goodman; Dir. of Trading, Rob Quinn, MarketGauge Dir. of Sales; Jennifer McCue, Executive Assistant and our everything person, Lincoln Oehlers, Dir. of Tech & AI Development; Free Bear, Animation Creator for the Economic Modern Family; James Mulligan, Animation Creator and Social Media Director.

We also wish to thank all our independent consultants and service providers.

And to all our followers:

Have a very happy and healthy holiday season and a prosperous New Year!

About Mish



Mish started out her own financial education and career trading coffee, sugar, and cocoa on the floor of the New York Commodities Exchange where she was 1 of less than 10 female commodities traders at the time. She went on to become a member of COMEX, NYMEX and FINEX, completing 14 years total as an independent trader at 4 World Trade Center. During her time as a floor-trader, Mish became an expert analyst by developing her own strategy encompassing technical charting and analysis, risk controls, and megatrends.

Mish has garnered tremendous attention due to her frequent media appearances as an expert analyst on popular networks such as Fox News, Bloomberg, Yahoo Finance, Bloomberg, Schwab, CNBC Street Signs, and many more.

Mish is known for her adept market timing, allowing her to recognize emerging trends long before other market analysts even pick up a whiff of the action. Today, Mish continues to publish educational trading articles and videos, on top of her constant media appearances. She continues to serve as a mentor to women in finance and to up-and-coming traders everywhere.

Mish combined her trading expertise with her master's degree background in special education to create her proprietary Economic Modern Family.

Mish will release an animated second version of her best-selling book Plant Your Money Tree: A Guide to Growing Your Wealth. The focus is on the Economic Modern Family.

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