INVESTING for the Coming BIG TSUNAMI – 3 WAVES of IMPACT

by Stephen R. Renfrow(c)
23 January 2026

Sector Rotation Investing is an active strategy that involves shifting investments between different industry sectors of the stock market based on the current phase of the economic cycle. The core idea is that certain sectors outperform others at specific points in the cycle—such as technology and consumer discretionary during economic expansions, and utilities, healthcare, and consumer staples during recessions.

How It Works:

•Investors use **economic indicators** (GDP, inflation, interest rates), **technical analysis** (relative strength, momentum), and **sector performance data**. Note: to see currently prevailing Sectors, go to www.zacks.com/stocks/industry-rank/sectors/ you can click on "Heat Map".

•Tools like **Relative Rotation Graphs (RRG)** and **sector ETFs** (e.g., XLK for tech, XLP for staples) are commonly used to implement the strategy efficiently.

•The **Sector Rotation Model (SRM)**, for example, dynamically reallocates to the top-performing S&P 500 sectors each month, historically outperforming the S&P 500 over long periods.

Benefits:

•**Enhanced Returns**: Can beat passive buy-and-hold strategies by focusing on high-growth sectors.

•**Risk Management**: Reduces exposure to lagging sectors during downturns.

•**Flexibility**: Allows quick adaptation to changing market conditions, inflation, or geopolitical events.

Risks and Limitations:

•Requires **active monitoring** and discipline; timing errors can lead to underperformance.

•**Not foolproof**: Economic cycles don't always follow predictable patterns, and sector leadership can shift unexpectedly. That's why timing via technical analysis is key.

•**Higher turnover** increases transaction costs and tax implications (minimal).

Best Practices:

- **ETFs** can give easy and quick access to sector exposure.

- Consider combining **Sector Rotation** with **Asset Rotation Models (ARM)** for broader risk management.

- Ideal for **tax-advantaged accounts** (e.g., IRAs) due to frequent rebalancing.

Bottom Line: Sector rotation is a powerful tactical tool for investors seeking to outperform the market by aligning their portfolios with economic trends. While not passive, it offers a structured, data-driven approach to capitalizing on cyclical market movements.

As primarily a Futures Trader, I am always "*forward looking*". I have to take into account the weather on several continents (incl. La Nina, El Nino), Supply & Demand, political news driving markets, Gov't Reports (UDSA, WASDE, etc.), Cycles, favored rotation by money managers, and Farmer Intentions, etc.

Standing back looking a the big picture, I see several things coming down the pike, due to the MAGA movement, and …. what's wrong with making America great again? Anyway, lets take a look at the;

3 Major Waves of Impact:

1. April to June 2026 – the Refund Season will bring $1.2 Trillion dollars worth of Rebates and Tax Savings to hit the consumer's bank accounts. Where will the money go? These are of course approx. 30 – 35% paying off debt, 25% home improvement to stay in their homes, 20% added to savings, 20% for discretionaries, electronics and upgrades, etc.

2. July to Sept 2026 - $2.1 Trillion as corp. repatriate back into the United States. We'll see share buyouts; Dividends up; Mergers & Acquisitions (M&A); and Capital Expenditures. Trump is lowering housing, oil and credit card rates.

3. 4^{th} Qtr 2026 - $1.4 Trillion during the Cap-Ex boom. This will lead to an explosion in industrial manufacturing, Tech infrastructure – think Cisco, Oracle; Energy and Grid mondernization, think alt. Energy (hydrogen, nano-nuclear); and Bonus Depreciation.

TOTAL: $4.7 TRILLION entering the market this Year! What impact is this going to have!

This will no doubt lead to an increase in inflation. The BIG question is – how much. If we see this, think Great Inflation Rotation. This should align from sometime before end of year into the 1^{st} Qtr of 2027. What would be out is Hi-Tech and stagnate and/or unprofitable Growth. What will be in is Energy, Commodities, Value and Dividend stocks. Be prepared to take profits in Growth and rotate into value such as precious metals and Real Estate.

I'm looking at 6 major Sectors that drive the markets via rotation. They are as follows.

WHERE TO INVEST:

Sector 1:

Consumer Discretionary – capturing the Refund spending boom. Think AMZN, HD, XLY. Of course a Mutual Fund is more diversified and cheaper to get into, such as **FSRPX**.

Sector 2:

Technology – benefiting from buybacks and AI spending and Cloud growth via special warehouses. Think APPL, MSFT, QQQ. Two good Mutual Funds investing in these areas are **FECGX** and **FSPTX**.

Sector 3:

Industrials – fueled by the Cap-Ex boom into construction equipment, AG machinery, etc. Think CAT, DE, XLI. One good ETF and Mutual Funds investing in these areas are **AIRR** and **FSDAX**.

Sector 4:

Financials – riding the consumer lending and M & A, advisory boom. Think JPM, GS (Goldman Sachs). A good Mutual Fund I found is **PRISX**.

Sector 5:

Energy – demand will continue to escalate, used as primary inflation hedge. Think XOM, CVX, dividend co.'s, XLE. I like HYDR, FCEL, and a good MF – **FRNW**.

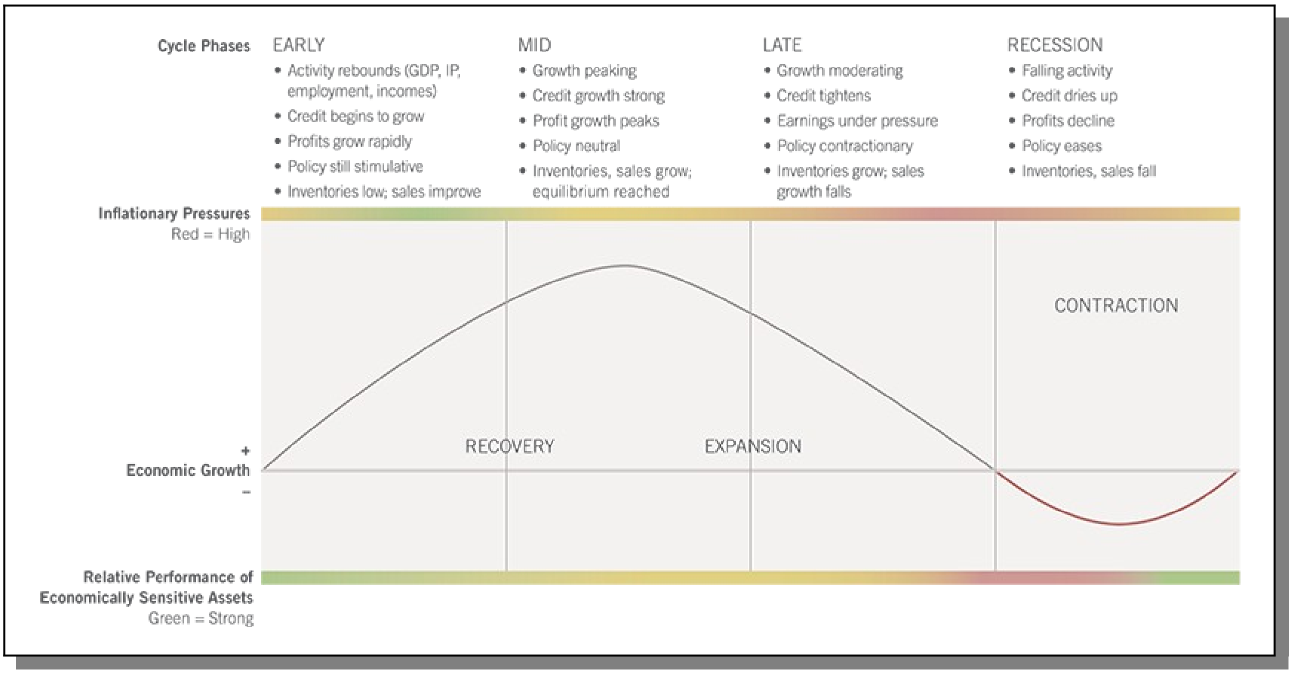
Section 6:

Real Estate – benefiting from down payments and growth. Think REITs such as Prologis PLD, for industrial warehouses, for ecommerce and entertainment; like American Tower AMT, for cell tower infrastructure. A good ETF is **VNQ**, and a Mutual Fund investing in these areas (incl., the 2 mentioned) is **TIREX**.

Risks involved: You always take into account Risk. From what I can see …. FED over-reacts; aggressive rate hikes; consumers save instead of purchasing deflating Wave 1; market has already priced in the stimulus for 1st Qtr. (however, I don't think so) See more on Risks below the Charts.

Timing of course is everything. Not only Sector Rotation, the Impetus driving the Mrkts, but more importantly – in combination with the Technical Study of the Charts as well. For example, why would you Buy in an Overbought market? Or why would you Sell in an Oversold market? On the next pages I will dissect these Charts above.

This chart below gives you an overview of the **4 Phases of the Market** and why Rotation is Key, but only if you realize why? The chart below should be self-evident.

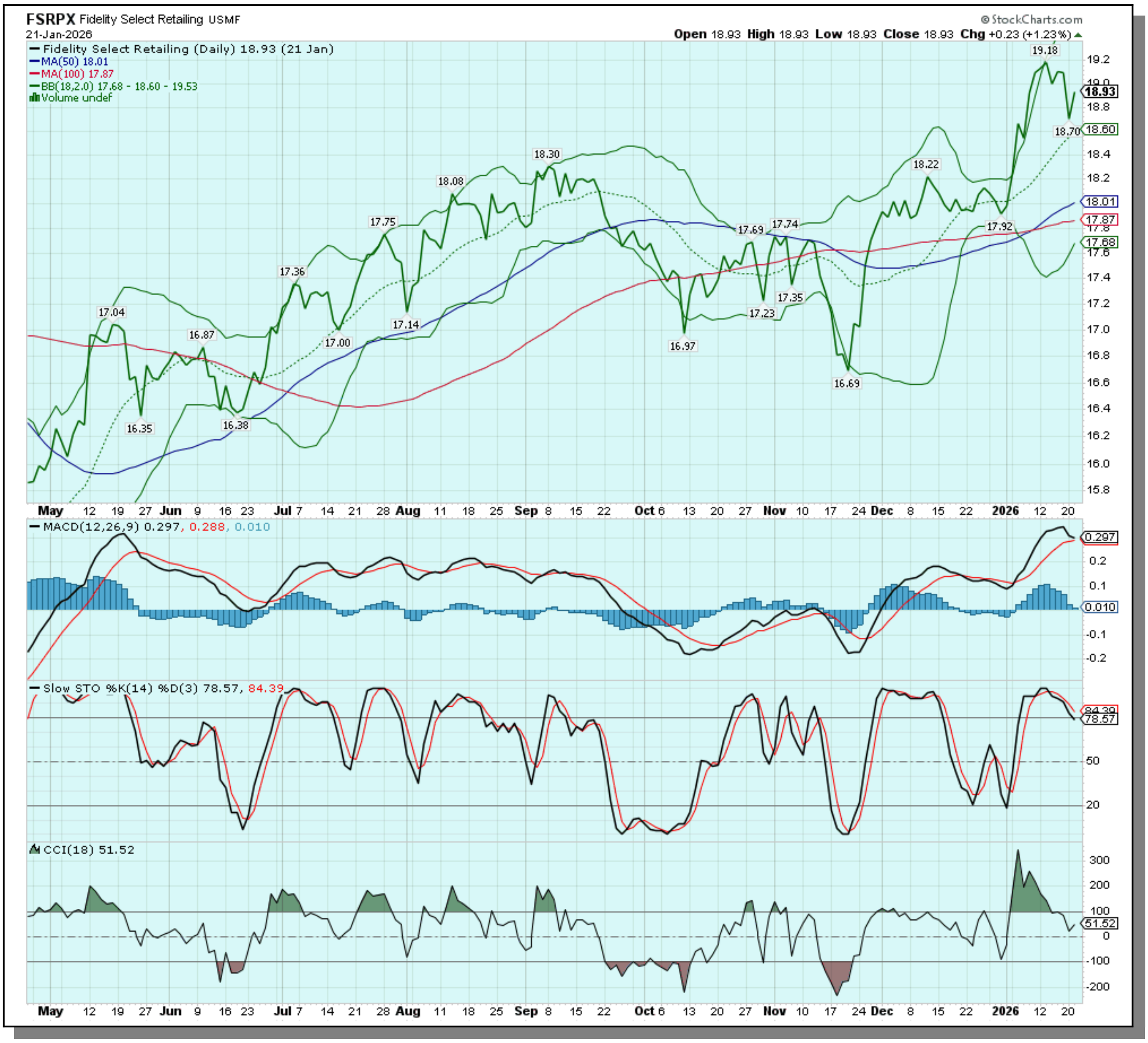


Would you agree that we just went through a Contraction Phase in the previous Decade? Recall the 2000 Crash down to 2002, the 2007 Crash (which only reached the prev. High) down to 2009, and it took until 2013 to exceed the previous High. We've been in a Bull Mrkt since, however, they are still managing the Crash. We are currently in another Bubble – the AI Bubble. While this Report shows what is coming in 2026, I doubt it will extend through 2028. Many things point to 2028 as … we are heading into a Make it Or Lose it all state of being. It will either be very good on the other side, or very bad. I believe it depends mostly on IF Justice prevails and we get Full Disclosure, or we don't and Evil continues to rein.

Here is my personal Chart Legend (abbreviations): Major Buy Signal (MBS); Major Sell Signal (MSS); Reversal (Rev); Target (TRGT); Moving Average (MA); Breakout (B/O); Support Resistance (S/R); Channel (Chnl); Head & Shoulder Top (H&S); Highest High (HHi); Lowest Low (LLo); Previous (Prev); Divergence (DIV); Trailing Stop Switch (TSS); Tight Stop (GHiLo); Or Better (OB); Market on the Open (MOO); Exit on Close (EOC); Overbought Territory (OBT); Oversold Territory (OST); Short Term (ST); Medium Term (MT); Long Term (LT).

While most should be self-evident, Divergence is when the Mrkt is moving down but the indicators are moving up. Or vice-versa, meaning a Reversal is imminent. Very powerful setup when combined with breaking out of OBT or OST.

See also my previous Market Analysis Updates: www.nmt-psp.com/analysis.php especially 28 Dec. 2025



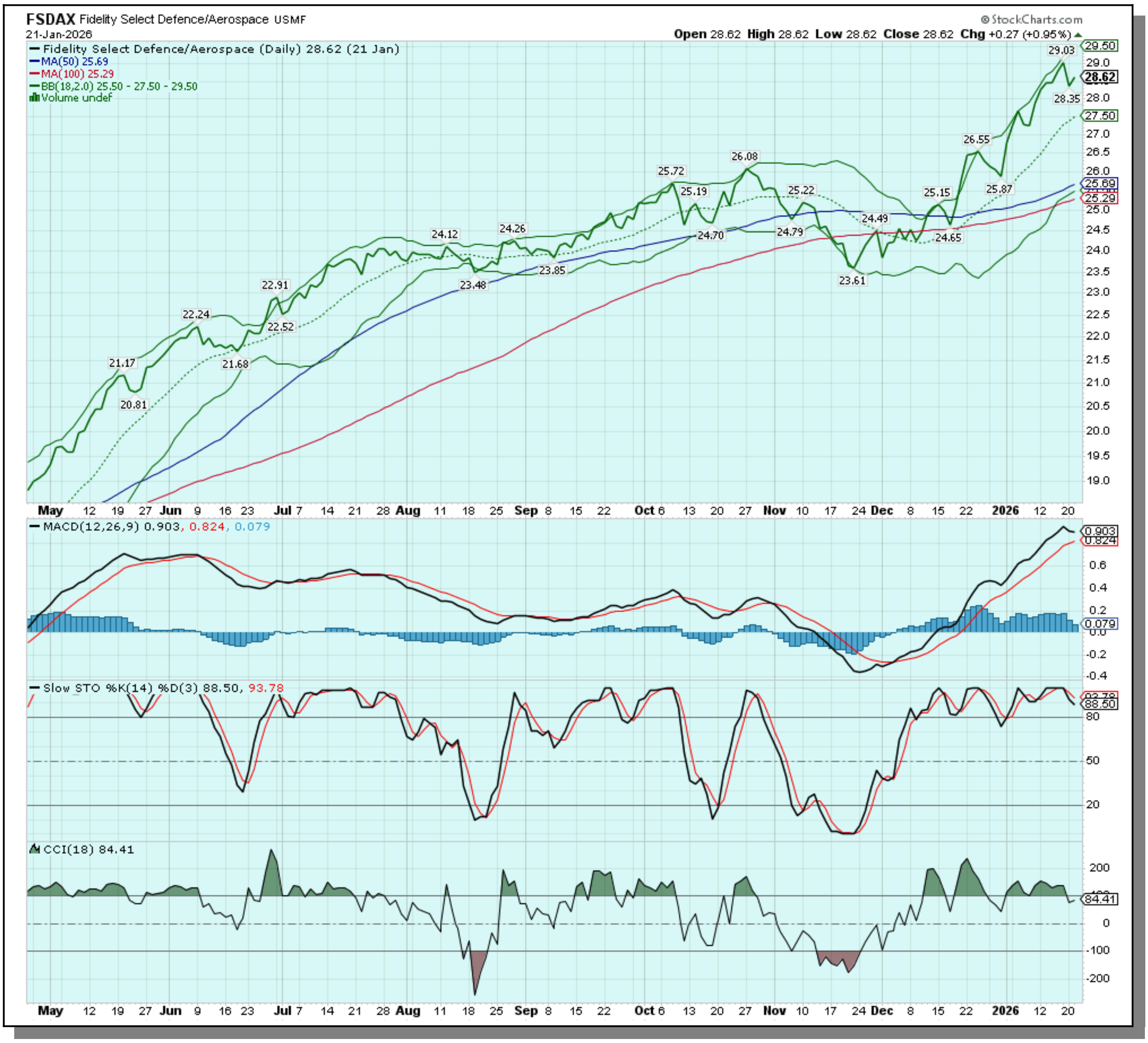
All Charts courtesy of StockCharts.com

Fidelity Select Retailing – is in OBT with Div. Indicating a possible MSS. Weekly Chart (not shown) also shows OBT and MACD Div. Indicating a possible PB to 32.20 or the 50MA at 29 +/-.

Seasonal: Last 5yrs HPM = 60% Jan, 75% May & Nov. with 100% up move in July.

Technical Course: Short and Simple

Note: the bottom 2 indicators Slow Stochastics and CCI (most of time a precursor). below the lower line is in OST, above the upper line is in OBT. Always Buy ONLY when in OST and a Breakout above the lower line occurs. And Exit, or Sell, when Breakout below upper line. The top indicator MACD is your Long Term identifier / indicator.



Fidelity Select Defense & Aerospace - is in OBT with CCI Div. (see green shading above since 22 Dec.) Indicating a possible MSS. Weekly Chart (not shown) also shows OBT and MACD Div. Indicating a possible PB to Prev. High of 26.10 area or the 50MA at 23 +/-. Wkly the same and 3X above the uBB, in addition the MACD-div. means a Reversal is imminent.

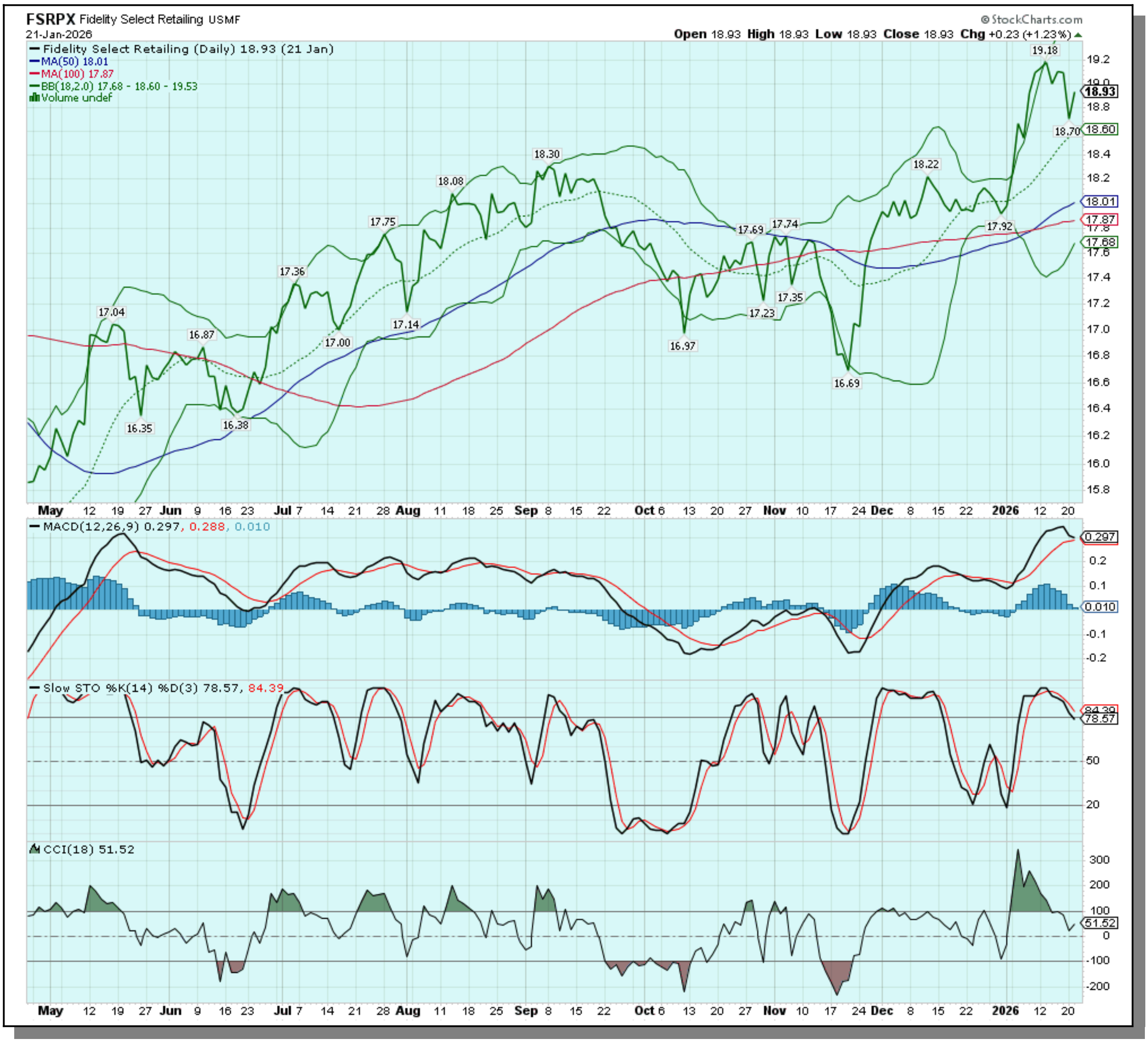
Seasonal: Last 6yrs = HPM Feb-Mar, May, July and Oct – Dec.

Note: Seasonals are not to be used as Entry / Exit points. But they do give you a heads-up on Timing as these are HPM = High Percentage Move months you should NOT ignore.

Sidenote: I have created a Trading Manual but it is not posted online for sale – yet! I use MetaStock charting software which most people don't have. And an older version no longer supported at that. Hence is why I chose Charts online at StockCharts.com in this Report. So, enough can be gleaned to trade professionally, inserting the same indicators into your favorite Charting Software. If interested, please let me know via my website [www.NMT-PSP.com] and click on Contact Us.

Fidelity Clean Energy ETF – note this is an ETF not a Mutual Fund. Currently about to go higher due to being Embedded and MACD is not in Div. and is rising. Wkly concurs and is not yet in OBT, meaning more upside potential. However, it is approaching its prev. high at 22.29 which may cause a PB for a Buy Opp. Embedded means the indicators are in OBT or OST 3+ days – the mrkt will continue in the same direction … until the indicator crosses below OBT or above OST.

Seasonal: HPM Mar and May – July.

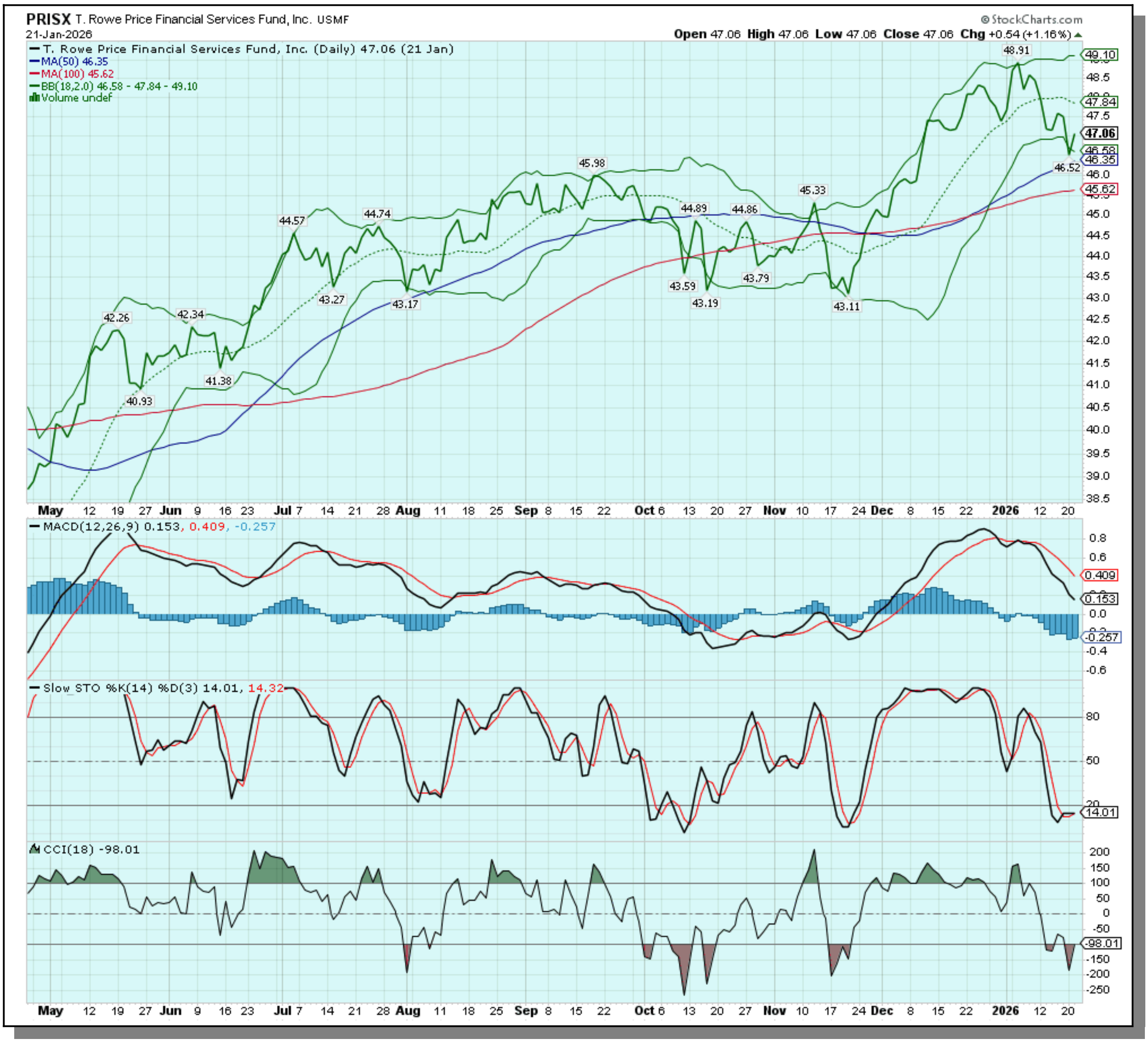


Fidelity Select Retailing – is beginning to PB as is normal after the Christmas Season. Also inline with the Wkly Chart as it is in MACD Div. Note the CCI-Div. in the daily chart above.

Note: You may be seeing a pattern as most of these are in the OBT. Yet a PB would present a possible Buy Opp. Hopefully in OST. How can you tell? Watch also the MACD.

Seasonal: Last 8yrs – 100% Nov., 86% June – July, and 71% Apr, Aug, Dec.

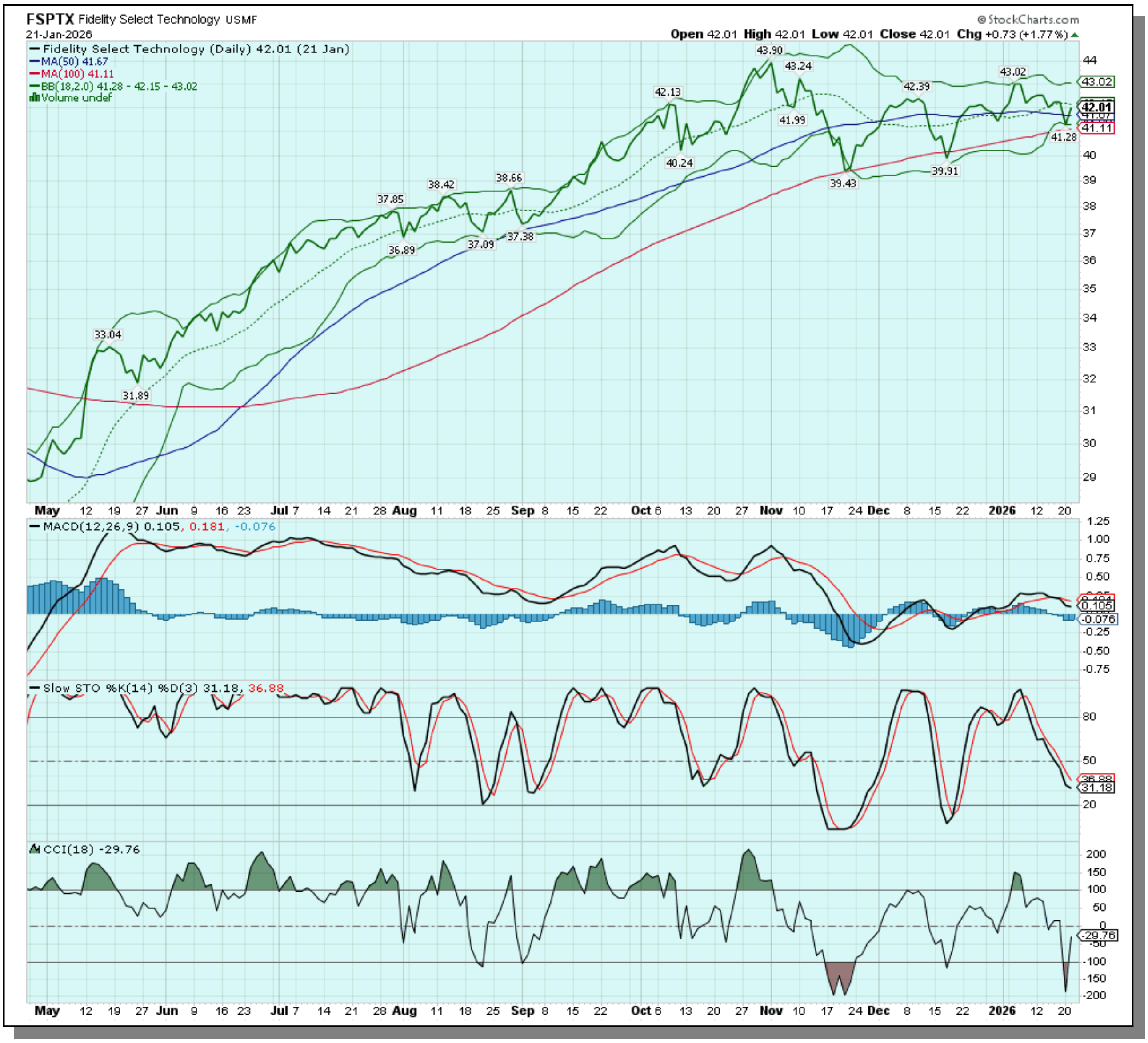
So generally, Buy in April watch for a PB in May, then hold June through Aug (prepare to exit), and (buyback) Nov through Dec. is how I read that. See!?!?



T. Rowe Price Financial Services Fund – it has already PB into OST for a Buy Opp. It may bounce off the 50MA and if extended in the OST a little longer … possibly the 100MA (red line). Which would also correspond to the Prev. High in the 46 +/-. This is strong support. Once a Mrkt breaks below a Support Line it then becomes Resistance. Crossing below the 100MA would obviously be Bearish.

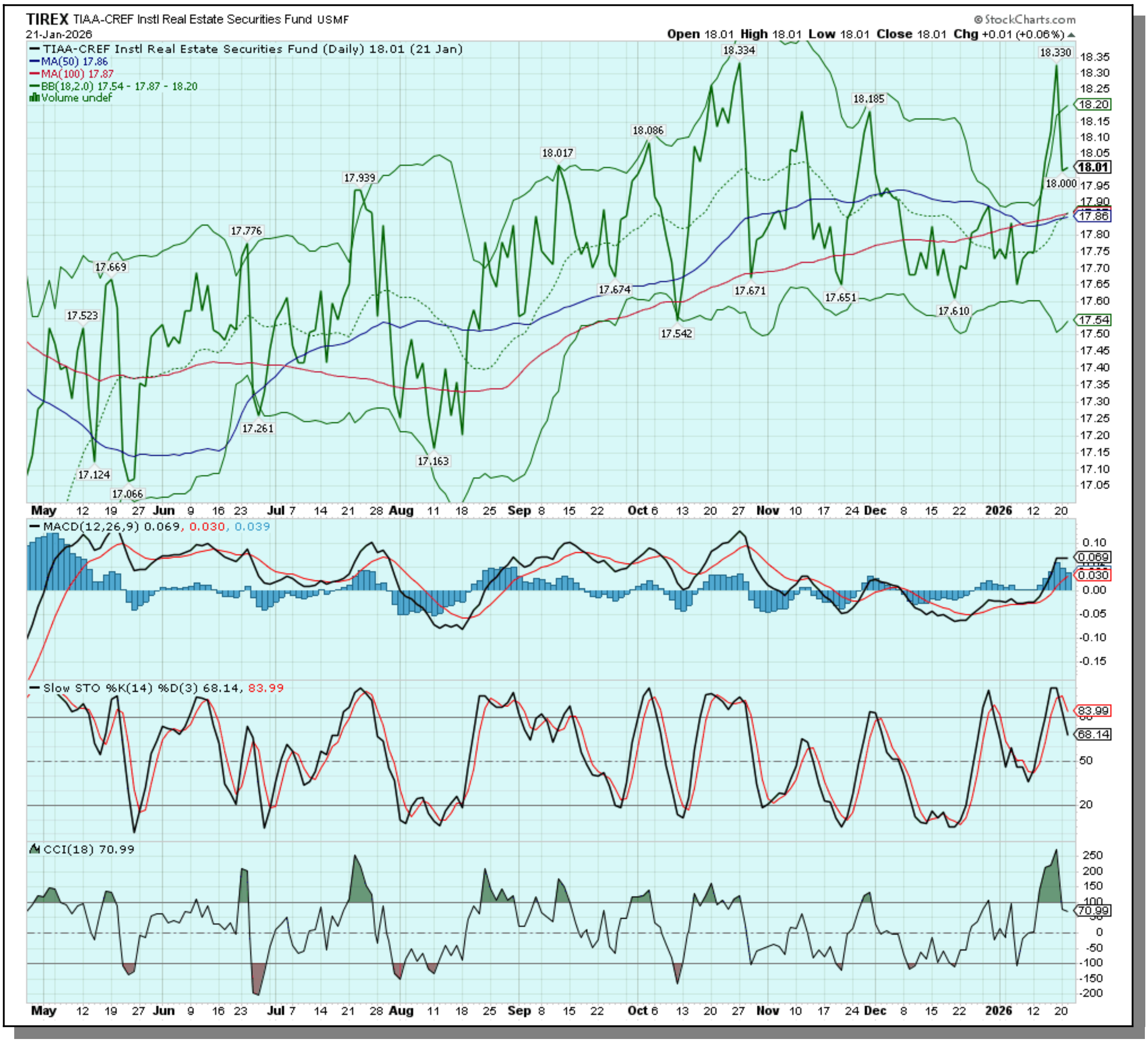
Seasonal: Last 7yrs, HPM April – Aug, then Oct – Jan.

Note: good thing about StockCharts is that above the chart next to where you input a Stock Ticker Symbol, you can select Daily or Weekly. Before I invest my money – I ALWAYS check the Wkly, that gives you bigger picture. Is it Overbought or Oversold? Use the Daily Chart for timing your Entry and Exits in accordance to the Weekly Big Picture. In trading commodities on the Futures market, I look at Monthly, Weekly, Daily and time my Entry / Exits via 15 min. charts. I have also created proprietary formulas to use in scanning for Buy/Sell signals across thousands of securities in few seconds. I then analyze the charts to confirm and make my decisions carefully. Because, 1 contract on Cattle or Hogs controls 40,000 lbs, so each $1 move is $400 profit or loss.



Fidelity Select Technology – Wkly is in Nuetral Territory with Downward Bias. The Daily above shows it reaching OST, with more Downside potential. In fact the Wkly 50MA = 36.45, and the 100MA is 33.10 as of this writing. You may think this is an outrageous move, but recently from Feb. – April 2025 it went from a High of 35.11 down to 24.85. I see a number of TECH Stocks including the S&P 500 and NSDQ looking Toppy!!!

Seasonal: Last 7yrs – HPM May – July and Oct. – Dec.



TIAA – CREF Instl Real Estate Securities – on the Wkly it is still reeling from a MSS in Oct. 2024 at a high of 18.89. Note it is almost there now and could PB to ReTest the 18/50 MA. IF that holds more upside can be expected, else the Wkly 100MA is 17.33 + for the next Support (S/R).

Is Real Estate in trouble? I don't think so, but this chart sure is volatile.

Seasonal: Last 7yrs – HPM May – Aug, Nov. and maybe Jan. (57%)
Note: you can see these Seasonals yourself at StockCharts. Look to the bottom right of the chart and select MORE / Seasonality

Global X Hydrogen ETF – note: this is an ETF (trade like stocks), this ETF holds a lot of stocks I like in the field of exploring Hyrdrogen as a fuel source. I wrote about this tech in my PSP book 2014. The Wkly shows it in Neurtral Territory, Reversing and heading higher. The above shows it in OBT, but the MACD also shows more upside potential. It is possible the Wkly is in an ABC correction – where it goes down, up, and down again before reversing higher. The Wkly 50MA = 26.81 which just crossed above the 100MA = Very Bullish.

Seasonal: HPM July 100%, Nov. 75%

For more Research on these or any company / Mutual Fund / ETF goto this website and replace **** with your stock symbol. www.finance.yahoo.com/quote/****
You can then select (on the left side) News, Chart, Historical Data, Profile, Holdings, Analytics, Performance and Risk.

To see Economic Calendar Reports, www.finviz.com/calendar/economic

Monthly Charts courtesy of Finviz

RISKS: Many people are wondering – Why has Gold and Silver skyrocketed upwards? This shows and proves there is systemic risk in the system. What are the risks investors are concerned about? This is VERY important and deserves special attention.

First, a brief history;

I. **1944 Bretton Woods** … The Gold Standard Era
* established the US Dollar as the World's Reserve Currency
* Pegged the dollar to Gold at $35/oz.
* Created the IMF and World Bank

II. 1971 Nixon Shock
* Nixon unilaterally severed the Dollar's link to Gold
* Began the Era of 'fiat' currency we've been living under
* Led to decades of inflation and debt accumulation

III. **Introducing the BRICS 'Unit'**
* a trade currency, not a consumer currency
* designed to bypass the U.S. Dollar
* backed by a basket of commodities including Gold

BASEL III Rules Explained:

Tier 1 Capital – forces banks to hold more high quality assets, like gold, to cover potential losses.
Leverage Ratio – limits how much banks can lend relative to their capital, supposed to reduce risky behavior.
Liquidity Coverage – requires banks to hold enough cash-like assets to survive a 30 day crisis.

GOLD is rallying due to the de-dollarization hedge, as central banks buy gold to protect themselves from a declining dollar. And due to Basel III Reclassification, gold is now a premier risk-free asset for banks while increasing its institutional demand.

While the rest of the world has implemented these strategies, the U.S. Corp. has not. And why would they delay if they have as much gold as they claim? Could this explain why they keep fudging about the gold in Ft. Knox??? Or will they spring it on the world that the U.S. dollar will now be backed by Gold and Silver??? I doubt it … but in my PSP book (2014) I suggest that we do just that and revoke the Federal Reserve Corp. charter kicking these Banksters out of our country.

In the meantime, **SILVER, Gold, Platinum, Palladium, Treasury Notes & Bonds** was being manipulated by JP Morgan Chase Bank - see Gov't Lawsuit[1] (see also these 2 lawsuits for Fraud and Conspiring with HSBC[2] to drive down Silver), as well as other lawsuits – gov't and private class actions against this evil Bankster empire of Fraud).

Why? Two Reasons:

1) Industrial Price Control – a silver explosion would raise costs for key industries like solar and EVs.
2) Fiat Confidence Game – rising silver is a vote for no-confidence in the precious metals mrkt, which must be managed for their own gain.

I have mentioned in several articles about the Currency Reset. I assumed people would know what that is. Let me define.

Currency Reset: A pre-planned systemic overhaul of the global financial system, where the dominant reserve currency (U.S. Fed. Reserve Notes) is replaced or revalued against a new standard.

In which case, as it is now, we would see evidence of de-dollarization. We are witnessing …

- Bilateral Trade in local currencies, such as China and Brazil bypassing the U.S. dollar for trade. All BRICS nations are doing this and others are joining!
- Oil Sales in Yuan, as Saudi Arabia considering accepting the Yuan for oil, and direct challenge to the PetroDollar.
- Digital Currency Projects, such as 100+ countries exploring CBDCs to create an alternative to the SWIFT[3] system.

So, do we see some comparisons, from previous Mrkt Cycles that give us warnings! YES !!!

Setup/Comparison Warning: The Dot-com Bubble 1999 – 2000, 457 IPOs in a single year. 86% of newly public tech co.s were losing money. Companies with ZERO revenue were valued in the billions. NASDAQ soon crashed 78%.

Setup/Comparison Warning: The 2021 Tech IPO Wave – During the pandemic boom, a record number of tech companies went public. Roblox; Bumble; Rivian; Coinbase. But 95% of IPO investors lost money. By early 2023, only 5% of these companies traded above their IPO price.

1 www.cftc.gov/PressRoom/PressReleases/8260-20
2 www.reuters.com/article/world/asia-pacific/jpmorgan-hsbc-sued-for-alleged-silver-conspiracy-idUSTRE69Q5HQ/
3 www.en.wikipedia.org/wiki/SWIFT

We are looking at a 3 Stage Pattern:

Fed Printing and IPO Boom = Market TOP

WE ARE HERE >>> Stage 1: Economic Weakness - FED cuts rates and starts injecting liquidity.

Stage 2: The Liquidity Party – Entering Now, as asset prices rally hard, risk assets go vertical.

Stage 3: The Rush Exit – Insiders Cash Out, then the music stops.

TIMELINE TO WATCH: not so much dates, but watch for these events

1st Qtr 2026: Danger Zone – first major IPOs, excitement at peak levels.

2nd Qtr 2026: The Cliff – FED may stop printing, IPO lockups expire, insiders SELL. Plus mid-term elections during the Presidential Cycle (2026), is historically weakest. 90% accurate since 1933.

4th Qtr 2026: Opportunity – Mrkt finds a bottom, quality companies are on sale. Rally in 2027 !!!

If you're thinking – *it seems like these timlines are compressed*, you are correct. According to Terrance McKenna's Timewave Zero this is destined to happen prior to a BIG EVENT[4] that would change the world.

DON'T DO THIS LIST:

- DON'T buy IPOs on day one
- DON'T get caught in FOMO
- DON'T ignore valuations (60 x sales is not an investment)
- DON'T believe "this time it's different"
- DON'T panic and sell at the bottom

GUIDELINES:

Green Light: FED printing supports markets short-term.
Yellow Light: Trillion dollar IPOs are the warning sign.
Red Light: a correction is likely toward the End of 2026.

4 This was supposed to happen end of 2012. But what if that was the beginning of the inflection point from which there is no turning back?!?! And the BIG Event? Unknown by Mr. Howard, nor by the Remote Viewing Team of Major Ed Dames – a retired military intelligence officer heading up the program.

This Disclaimer is on my website [www.nmt-psp.com/members], and I reprint it here as it applies also to this Special Report.

Disclaimer: *The author is not an advisor, and this website (or Special Report) does not provide investment advice. or recommendations, nor is it an offer or solicitation of any kind to buy or sell any investment products whether stock, commodity, bond, note, etc. This information is the culmination of technical analysis by the author and is only an expression of his thoughts on the subject matter which is protected by the First Amendment to the Constitution of these united States of America. Any action taken by you, the reader, is of your own accord, and the author is not liable for your actions. By accessing these pages, you agree to this disclaimer and will hold the author harmless for his expressions via his right of speech and press. Any statement of facts herein contained are derived from sources believed to be reliable, but are not guaranteed as to accuracy, nor do they purport to be complete. No responsibility is assumed with respect to any expression of opinion herein contained. Readers are urged to exercise their own judgement.*

Trading in futures, options, securities, derivatives or OTC products entails significant risks which must be understood prior to trading and may not be appropriate for all investors. Past performance of actual trades or strategies is not necessarily indicative of future results. Nothing contained herein shall be construed as an offer to sell or a solicitation to buy any futures contract, option, security, or derivative, including foreign exchange.

This document may be posted, with previous insights at my website;

www.nmt-psp.com/analysis.php

Peace,

Stephen R. Renfrow(c) JD, Sui Juris, SPC
a State National of a once great republic, these united States of America, a free sovereign Citizen documented via UCC-1 filed as public record in State and national archives.

Without Prejudice, UCC-1.201
Without Recourse, UCC-3.401
All Rights Reserved UCC-1.308

SRR/arr