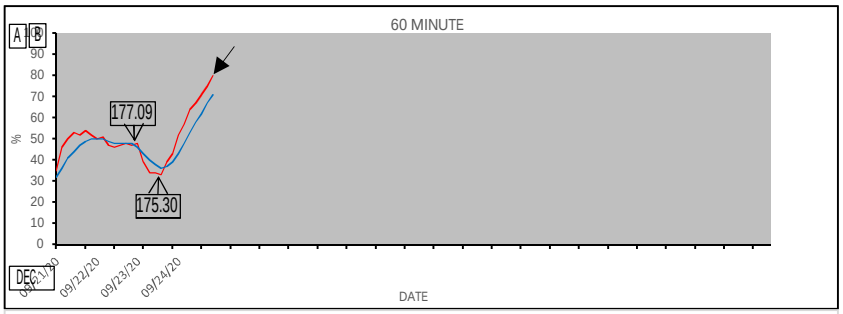
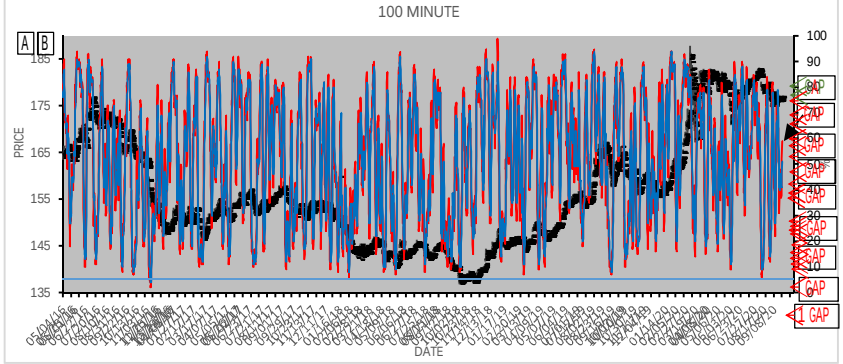
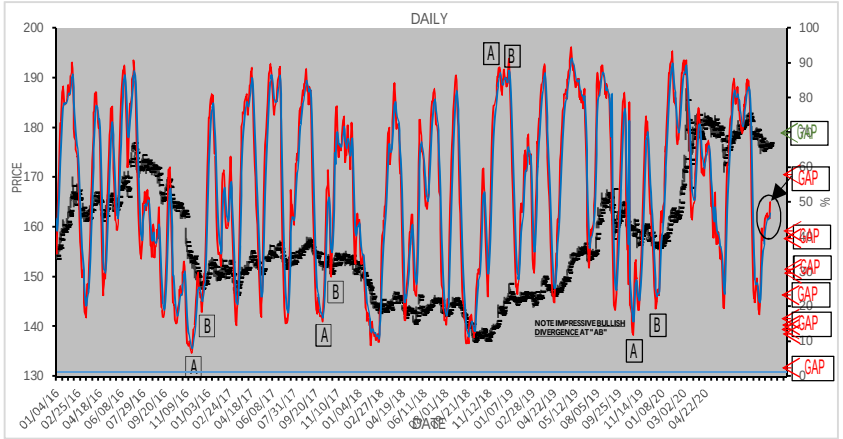
STOCHASTIC

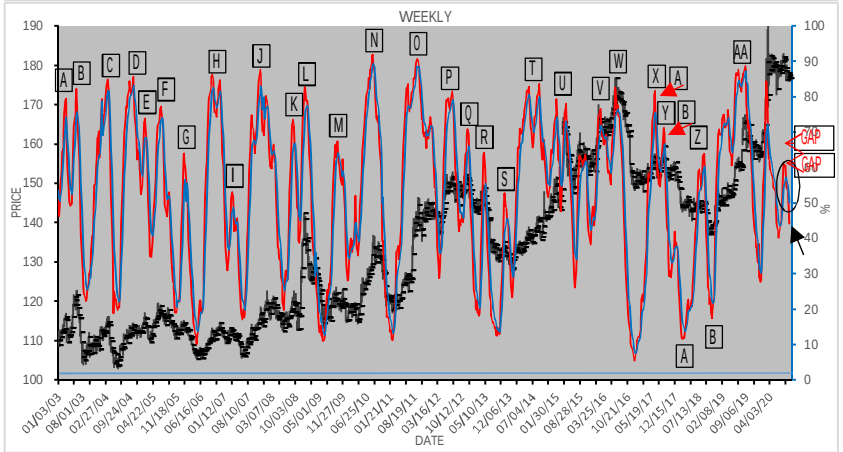
# STOMASTER®

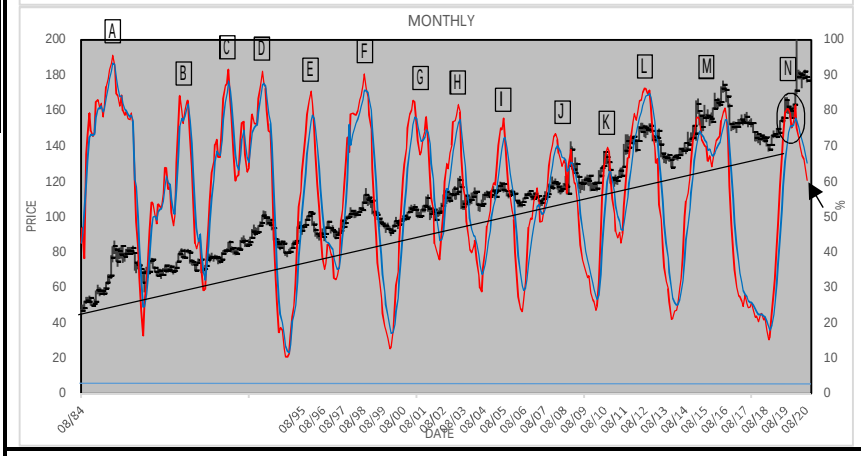
ANALYTICS




**DEC BONDS H: 177.31 L: 176.20 C: 176.31 +.16 SEP 24, 2020**

**EVN NEWER: Read why interest rates will be significantly LOWER, not higher as consensus would have you believe in 2014.**
www.stomaster.com/Fade.pdf
**NEW!! See Weekly commentary and technical on the 10 year Treasury Note at** www.loanmine.com/latest.html
*For daily trading strategy updates and execution, call Jeff Rosenberg at SunTrust Bank (901) 842-3971*

## UPDATE

**60 MINUTE** The Sixty ascended, to close at 80/71 K/D, with bonds ending at 176^31 *(basis Dec)*, up +.16 tics on the day. Note the Hondo's twenty-one **bearish** gaps below. These bearish lacunas are now opposed by two bullish gaps.
**100 MINUTE** The Hondo upcrossed, to close at 59/51 K/D. **The Hondo filled +.05 tics of the +.12 tic bullish gap between 177^21-177^09 opened 09/04/20 on 09/18/20. The Hondo opened a +.30 tic bullish gap between 179^17-178^19 on 08/11/20. The Hondo opened a +.02 tic bearish gap between 176^18-176^20 on 09/24/20. The Hondo opened a +.03 tic bearish gap between 172^29-173^00 on 06/10/20. The Hondo opened a +.23 tic bearish gap between 171^20-172^11 on 06/09/20. The Hondo opened a +.37 tic bearish gap between 161^15-162^20 on 02/24/20. The Hondo opened a +.24 tic bearish gap between 160^09-161^01 on 02/21/20. The Hondo opened a +.07 tic bearish gap between 159^17-159^24 on 02/20/20. The Hondo filled +.02 tics of the +.04 tic bearish gap between 157^23-157^27 opened 02/07/20 on 02/12/20. The Hondo opened a +.10 tic bearish gap between 155^07-155^17 on 01/23/20. The Hondo opened a +.16 tic bearish gap between 153^26-154^10 on 01/21/20. The Hondo opened a +.02 tic bearish gap between 152^10-152^12 on 01/02/20. The Hondo opened a +.12 tic bearish gap between 148^13-148^25 on 07/17/19. The Hondo opened a +.10 tic bearish gap between 143^31-144^09 on 05/23/19. The Hondo opened a +.08 tic bearish gap between 143^09-143^17 on 05/22/19. The Hondo opened a +.05 tic bearish gap between 142^27-143^00 on 05/13/19. The Hondo opened a +.04 tic bearish gap between 142^00-142^04 on 05/07/18. The Hondo opened a +.12 tic bearish gap between 142^14-142^26 on 05/06/19. The Hondo filled +.03 tics more of the +.15 tic bearish gap between 140^19-142^02 opened 04/24/19 on 05/03/19 for a total of +.11 tics. The Hondo filled +.01 tick of the +.03 tic bearish gap between 139^31-140^02 opened 03/20/19 on 04/17/19. The Hondo opened a +.12 tic bearish gap between 137^11-137^23 on 12/19/18. The Hondo opened a +.15 tic bearish gap between 134^03-134^18 on 12/04/18. The Hondo opened a +.06 bearish gap between 123^30-124^04 on 11/30/18. *(Click www.stomaster.com/stogaps.pdf to see additional 100 Minute gaps with detail).***
**DAILY** THE DAILY UPCROSSED ON 09/24/20 AT 46/46 K/D, DOWNCROSSED ON 09/23/20 AT 45.23/45.41 K/D, UPCROSSED ON 09/01/20 AT 21.50/21.50 K/D, DOWNCROSSED ON 08/25/20 AT 26.75/26.75 K/D, UPCROSSED ON 08/21/20 AT 26.25/26.25 K/D, DOWNCROSSED ON 08/05/20 AT 83.05/83.05 K/D, UPCROSSED ON 07/23/20 AT 72.50/72.50 K/D, DOWNCROSSED ON 07/10/20 AT 81/81 K/D, UPCROSSED ON 07/09/20 AT 81/81 K/D, DOWNCROSSED ON 07/02/20 AT 82/82 K/D, UPCROSSED ON 06/09/20 AT 24/24 K/D, DOWNCROSSED ON 05/26/20 AT 41/41 K/D ON 05/26/20, UPCROSSED ON 05/22/20 AT 41/41 K/D, DOWNCROSSED ON 05/18/20 AT 48/48 K/D, UPCROSSED ON 05/14/20 AT 45/45 K/D, DOWNCROSSED ON 05/01/20 AT 66/66 K/D, UPCROSSED ON 04/21/20 AT 60/60 K/D, DOWNCROSSED ON 04/09/20 AT 72/72 K/D, UPCROSSED ON 03/27/20 AT 51/51 K/D, DOWNCROSSED ON 03/10/20 AT 88/88 K/D, UPCROSSED ON 03/05/20 AT 87.25/87.25 K/D, DOWNCROSSED ON 03/04/20 AT 87/87, UPCROSSED ON 02/20/20 AT 70/70 K/D, DOWNCROSSED ON 02/04/20 AT 90/90 K/D, UPCROSSED ON 01/02/19 AT 24/24 K/D AND DOWNCROSSED ON 12/31/19 AT 23.75/23.75 K/D. **The Daily narrowed its negative spread to +3.08 K/D from the prior sessions -.18 K/D, to close at 50.03/46.95 K/D. ALERT 09/24/20: The Daily upcrossed. ALERT 09/23/20: The Daily downcrossed. ALERT 09/01/20: The Daily upcrossed. ALERT 08/25/20: The Daily downcrossed. ALERT 08/21/20: The Daily upcrossed. ALERT 08/05/20: The Daily downcrossed. ALERT 07/23/20: The Daily upcrossed. ALERT 07/10/20: The Daily downcrossed. ALERT 07/09/20: The Daily upcrossed. ALERT 07/02/20: The Daily downcrossed. ALERT 06/09/20: The Daily upcrossed. ALERT 05/26/20: The Daily downcrossed. ALERT 05/22/20: The Daily upcrossed. ALERT 05/18/20: The Daily downcrossed. ALERT 05/14/20: The Daily upcrossed. ALERT 05/01/20: The Daily downcrossed. ALERT 04/21/20: The Daily upcrossed. ALERT 04/09/20: The Daily downcrossed. ALERT 03/27/20: The Daily upcrossed. ALERT 03/10/20: The Daily downcrossed. ALERT 03/05/20: The Daily upcrossed. ALERT 03/04/20: The Daily downcrossed. ALERT 02/20/20: The Daily upcrossed. ALERT 02/04/20: The Daily downcrossed. ALERT 01/02/20: The Daily upcrossed. ALERT 12/31/19: The Daily downcrossed. The Daily upcrossed on 09/24/20 after a 1 day downcycle *(avg.=15-20 days)*** The Daily opened a +.26 tic bullish gap between 179^16-178^22 on 08/11/20. **The Daily opened a +.19 tic bearish gap between 171^24-172^11 on 06/09/20. The Daily opened a +.20 tic bearish gap between 163^00-163^20 on 02/24/20. The Daily opened a +.15 tic bearish gap between 160^18-161^01 on 02/21/20. The Daily opened a +.07 tic bearish gap between 159^17-159^24 on 02/20/20. The Daily opened a +.02 tic bearish gap between 157^25-157^27 on 02/07/20. The Daily opened a +.06 tic bearish gap between 155^11-155^17 on 01/23/20. The Daily opened a +.15 tic bearish gap between 153^27-154^10 on 01/21/20. The Daily opened a +.10 tic bearish gap between 143^11-143^21 on 05/23/19. The Daily opened a +.01 tic bearish gap between 143^14-143^15 on 05/22/19. The Daily opened a +.03 tic bearish gap between 141^13-141^16 on 05/06/19. The Daily filled +.03 tics more of the +.12 tic bearish gap between 140^22-143^02 opened 04/24/19 on 05/03/19 for a total of +.11 tics. The Daily opened a +.15 tic bearish gap between 133^15-133^30 on 12/04/18. *(Click www.stomaster.com/stogaps.pdf to see additional Daily gaps with detail).***
**WEEKLY** THE WEEKLY DOWNCROSSED ON 09/04/20 AT 57/57 K/D, UPCROSSED ON 09/03/20 AT 57.25/57.25 K/D, DOWNCROSSED ON 08/27/20 AT 57.75/57.75 K/D, UPCROSSED ON 07/09/20 AT 43.63/43.63 K/D, DOWNCROSSED ON 03/17/20 AT 73/73 K/D, UPCROSSED ON 01/21/20 AT 31.25/31.25 K/D AND DOWNCROSSED ON 09/09/19 AT 87/87 K/D. **The Weekly narrowed its negative spread to -5.94 K/D from the prior sessions -6.59 K/D, to close at 44.20/50.14 K/D.** ALERT 09/04/20: THE WEEKLY DOWNCROSSED! ALERT 09/03/20: THE WEEKLY UPCROSSED!! ALERT 08/27/20: THE WEEKLY DOWNCROSSED! ALERT 07/06/20: THE WEEKLY UPCROSSED!! ALERT 03/17/19: THE WEEKLY DOWNCROSSED! ALERT 01/20/20: THE WEEKLY UPCROSSED!! ALERT 08/09/19: THE WEEKLY DOWNCROSSED! **The Weekly downcrossed on 09/04/20 after a 1 day upcycle *(avg.=8-12 weeks)*.** **The Weekly opened a +.20 tic bearish gap between 159^31-160^19 on 02/24/20. The Weekly opened a +.06 tic bearish gap between 155^05-155^11 on 01/27/20.** Remember, fibrillation about the crossline on turns is common for this Sto and confirmation of any upcross/downcross must be validated by the Weekly ending on a following Friday in the upcrossed/downcrossed position. **This is called memorialization.** (For a riveting analysis, see *StoMaster's* thought provoking new piece at **www.stomaster.com/TheEndofQEII.pdf.**)
**MONTHLY** THE MONTHLY DOWNCROSSED ON 03/17/20 AT 78/78 K/D, UPCROSSED ON 01/27/20 AT 75.50/75.50 K/D, DOWNCROSSED ON 12/30/19 AT 75.50/75.50 K/D, UPCROSSED ON 12/27/19 AT 75.60/75.60 K/D, DOWNCROSSED ON 12/20/19 AT 75.50/75.50 AND UPCROSSED ON 12/04/18 AT 18/18 K/D. **The Monthly narrowed its negative spread to -4.86 K/D from the prior session's -5.00 K/D, to close at 60.26/65.12 K/D.** ALERT 03/17/20: THE MONTHLY DOWNCROSSED. ALERT 01/27/19!! THE MONTHLY UPCROSSED. ALERT 12/30/18: THE MONTHLY DOWNCROSSED. ALERT 12/27/19!! THE MONTHLY UPCROSSED. ALERT 12/20/18: THE MONTHLY DOWNCROSSED. ALERT 12/04/18!! ALERT 06/30/15: THE MONTHLY MEMORIALIZED ITS DOWNCROSS. ALERT 06/02/15: THE MONTHLY DOWNCROSSED. **The Monthly downcrossed on 03/17/20 after a 7 week upcycle *(avg.=12-15 months)*.** **To be validated *(i.e. memorialized)* the Monthly must close in the downcrossed/upcrossed position *(i.e. a negative/positive spread K/D)* at month's end. The Monthly has a tendency to fibrillate about its crossline at secular market turns. WORDS TO LIVE BY: NEVER FADE THE MONTHLY STO!!**

## ~FYI~

ALERT!! THE MONTHLY DOWNCROSSED ON 03/17/20. ALERT!! THE MONTHLY UPCROSSED ON 01/27/20. ALERT!! THE MONTHLY DOWNCROSSED ON 12/30/19. ALERT!! THE MONTHLY UPCROSSED ON 12/27/19. ALERT!! THE MONTHLY DOWNCROSSED ON 12/20/19. MEMORIALIZATION ALERT!! THE MONTHLY MEMORIALIZED ITS UPCROSS ON 12/31/18. THE MONTHLY UPCROSSED ON 12/05/19. MEMORIALIZED ALERT!! : THE MONTHLY MEMORIALIZED ITS DOWNCROSS ON 06/30/15. ALERT!! THE MONTHLY DOWNCROSSED ON 06/02/15!! DOUBLE FLASH!! THE MONTHLY MEMORIALIZED ITS UPCROSS ON 06/01/14!! FLASH !! THE MONTHLY UPCROSSED ON 04/11/14 FOR THE FIRST TIME SINCE DECEMBER 2012!! HUGE ALERT!! THE MONTHLY MEMORIALIZED ITS DECEMBER 2012 DOWNCROSS, CLOSING OUT ON JANUARY 31, 2013 WITH A NEGATIVE SPREAD K/D IN EXCESS OF -6.00 K/D!! THIS SIGNAL EVENT MARKS THE COMMENCEMENT OF A SECULAR BEAR MARKET FOR THE NEXT 12-15 MONTHS. ALERT!! THE MONTHLY HAS WIDENED ITS NEGATIVE SPREAD K/D FROM ITS DOWNCROSS ON 12/12/12 TO OVER -6.00 POINTS, HAVING SPENT THE LAST MONTH EQUIVOCATING ABOUT THE CROSSLINE. IF IT CLOSES OUT THE MONTH OF JANUARY WITH A NEGATIVE SPREAD K/D OF -6.00 POINTS OR GREATER, IT WILL SIGNAL THE START OF THE SECULAR BEAR MARKET OF 2013-2014. MORE HEADS UP!! THE MONTHLY MEMORIALIZED ITS UPCROSS ON 08/31/11 MAJOR BULLISH IMPLICATIONS. HEADS UP!! THE MONTHLY UPCROSSED ON 08/01/11!! ATTENTION: ON 01/03/11, THE MONTHLY MEMORIALIZED ITS DOWNCROSS, OFFICIALLY SOUNDING THE TURN TO THE BEAR MARKET OF 2011. *OF HISTORICAL NOTE: "FINALLY, ON 06/01/10, THE MONTHLY COMMITTED TO A DEFINITIVE UPCYCLE, LIFTING HIGHER WITH CONVICTION AFTER SKITTISH,Y FIDDLE-FOOTING AROUND SINCE IT MEMORIALIZED 05/03/30 UPCROSS. AFTER OVER A YEAR AND A HALF STRETCH OF UNPRECEDENTED VOLATILITY AND PANIC DRIVEN, CONVOLUTED MARKETS, THE MONTHLY STO HAS RETURNED TO ITS DEPENDABLE PERIODICITY."* FOR ONE IRONCLAD STO RULE IS ABSOLUTELY CLEAR; NEVER FADE THE MONTHLY STO!! WHY? "CAUSE THE COSHERED NIGH SINGLE DIGIT %K TO END ON STO DON'T LIE!!"

## ANALYSIS

***SHORT TERM*** **Both the Sixty and the Hondo firmed,** with the former lifting to end at the marge of overbought metrics K/D on the close, while the latter whipsawed back to an upcross and rose to settle at midlevel loci K/D at the bell. As *StoMaster* posited on 01/24/20: **"A potential "black swan" event is in the offing….COVER YOUR EYES!!" (To refresh, the dynamic of "creeping along the ceiling" entails incremental movements in these Sto's at uber-overbought metrics resulting in outsized upward displacements in the bond.)** Both are exhibiting extreme skittish behavior in this heightened environment of uncertainty. We are now at the mercy of **TWO** bullish gaps above, with **TWENTY** opposing bearish gaps below. **ALERT 03/22/19!! AT THIS CRITICAL JUNCTURE, *STOMASTER* IS PREPARED TO MAKE THE LONG AWAITED CALL FOR THE COMMENCEMENT OF A SECULAR BULL MARKET AS EVINCED BY THE MONTHLY STO, HAVING UPCROSSED ON 12/05/18 AND MEMORIALIZED THAT UPCROSS ON 12/31/18. NORMALLY, AFTER THE MONTHLY STO MARKS A +6.00 POINT POSITIVE SPREAD, THE CALL IS MADE. HOWEVER, EXERCIZING AN ABUNDANCE OF CAUTION, GIVEN THE PROPENSITY OF FIBRILLATION ABOUT ITS CROSSLINE, *STOMASTER* DEFERRED THE CALL UNTIL A CREDIBLE AND SUSTAINABLE BREAKOUT OF A *REVERSE HEAD & SHOULDER* FORMATION OF THE MONTHLY STO OCCURRED.**

***MEDIUM TERM*** ***The Daily upcrossed on 09/24/20, downcrossed on 09/23/20, upcrossed on 09/01/20, downcrossed on 08/25/20, upcrossed on 08/21/20, downcrossed on 08/05/20, upcrossed on 07/23/20, downcrossed on 07/10/20, upcrossed on 07/09/20, downcrossed on 07/02/20, upcrossed on 06/09/20, downcrossed on 05/26/20, upcrossed on 05/22/20, downcrossed on 05/18/20, upcrossed on 05/14/20, downcrossed on 05/01/20, upcrossed on 04/21/20, downcrossed on 04/09/20, upcrossed on 03/27/20, downcrossed on '03/10/20, upcrossed on 03/05/20, downcrossed on 03/04/20, upcrossed on 02/20/20, downcrossed on 02/04/20, upcrossed on 01/02/20 and downcrossed on 12/31/19.*** ALERT 09/24/20: THE DAILY UPCROSSED!! ALERT 09/23/20: THE DAILY DOWNCROSSED!! ALERT 09/01/20: THE DAILY UPCROSSED!! ALERT 08/25/20: THE DAILY DOWNCROSSED!! ALERT 08/22/20: THE DAILY UPCROSSED!! ALERT 08/05/20: THE DAILY DOWNCROSSED!! ALERT 07/23/20: THE DAILY UPCROSSED!! ALERT 07/10/20: THE DAILY DOWNCROSSED!! ALERT 07/09/20: THE DAILY UPCROSSED!! ALERT 07/02/20: THE DAILY DOWNCROSSED!! ALERT 06/09/20: THE DAILY UPCROSSED!! ALERT 05/26/20: THE DAILY DOWNCROSSED!! ALERT 05/22/20: THE DAILY UPCROSSED!! ALERT 05/18/20: THE DAILY DOWNCROSSED!! ALERT 05/14/20: THE DAILY UPCROSSED!! ALERT 05/01/20: THE DAILY DOWNCROSSED!! ALERT 04/21/20: THE DAILY UPCROSSED!! ALERT 04/09/20: THE DAILY DOWNCROSSED!! ALERT 03/27/20: THE DAILY UPCROSSED!! ALERT 03/10/20: THE DAILY DOWNCROSSED!! ALERT 03/05/20: THE DAILY UPCROSSED!! ALERT 03/04/20: THE DAILY DOWNCROSSED!! ALERT 02/20/20: THE DAILY UPCROSSED!! ALERT 02/04/20: THE DAILY DOWNCROSSED!! ALERT 01/02/20: THE DAILY UPCROSSED!! ALERT 12/31/19: THE DAILY DOWNCROSSED!! **The Daily upcrossed on 09/24/20 after a 1 day downcycle** *(avg.=15-20 days)*. ***The Weekly upcrossed on 09/03/20, downcrossed on 08/27/20, upcrossed on 07/06/20, downcrossed on 03/17/20, upcrossed on 01/20/20 and downcrossed on 09/09/19.*** ALERT 09/04/20: THE WEEKLY DOWNCROSSED! ALERT 09/03/20: THE WEEKLY UPCROSSED!! ALERT 08/27/20: THE WEEKLY DOWNCROSSED! ALERT 07/06/20: THE WEEKLY UPCROSSED! ALERT 03/17/20: THE WEEKLY DOWNCROSSED! ALERT 01/21/20: THE WEEKLY UPCROSSED!! ALERT 09/09/19: THE WEEKLY DOWNCROSSED! **The Weekly downcrossed on 09/04/20 after a 1 day upcycle** *(avg.=8-12 weeks)*. To be a valid cyclical upturn/downturn, however, any upcross/downcross of the Weekly must memorialize at the week's end *(i.e. close in the upcrossed/downcrossed position)*. But it should be noted that the Weekly has a tendency for fibrillation about the crossline, a phenomenon that has held sway during the past few years. **To review a little history, 03/23/15's upcross along with 03/27/15's memorialization was an extremely bullish totem occurring at midlevel and on a shortened downcycle. Moreover, it set the stage for the final leg of the secular bull market, a leg that astonished all in its strength and magnitude** (see **www.stomaster.com/Fade.pdf** and **www.stomaster.com/TheEndofQEII.pdf**)

***LONG TERM*** ***The Monthly downcrossed on 03/17/20, upcrossed on 01/27/20, downcrossed on 12/30/19, upcrossed on 12/27/19, downcrossed on 12/20/19 and upcrossed on 12/04/18.*** ALERT 03/17/19: THE MONTHLY DOWNCROSSED. ALERT 01/27/20: THE MONTHLY UPCROSSED. ALERT 12/30/19: THE MONTHLY DOWNCROSSED. ALERT 12/27/19: THE MONTHLY UPCROSSED. ALERT 12/20/19: THE MONTHLY DOWNCROSSED. ALERT 12/04/18: THE MONTHLY UPCROSSED. **The Monthly downcrossed on 03/17/20 after a 7 week upcycle** *(avg.=12-15 months)*. To be valid, it must memorialize at month's end (i.e. close in an upcrossed/downcrossed position) at a minimum 5.00 spread K/D. But prior to that event, we may expect multiple reverses about the crossline. **REMEMBER:** To be validated as a bona fide secular turn to a bull/bear market, the Monthly has to close the end of the upcross/downcross month in the upcrossed/downcrossed position and with a positive/negative spread K/D of at least 5.00 points within a reasonable length of time (i.e. 6 weeks). Short of that, history has demonstrated that the Monthly had a tendency to vacillate about the crossline, eschewing a clean call and attendant with erratic action in the bonds. Never forget and always remember: **"Those who would covet, Great wealth to be made, Dare not on their life, The Sto Monthly to fade."**

For bull and bear market analyses and past economic position papers (www.stomaster.com/botline2.htm)
But fresh off the press is *StoMaster's* new insightful analysis entitled
*"The End of QE II – What to Expect – A Different View* at
**www.stomaster.com/TheEndofQEII.pdf**

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