ADDITIONAL BULLISH AND BEARISH GAPS OUTSTANDING

OPEN GAPS CHARTS

BULLISH GAPS IN GREEN
BEARISH GAPS IN RED

100 MINUTE

DATE OPENED	RANGE	UNFILLED	FILLED	DATE FILLED	REMAINING

DAILY

DATE OPENED	RANGE	UNFILLED	FILLED	DATE FILLED	REMAINING

NOTE: ALL OPEN GAPS ARE DROPPED AFTER 3 YEARS DUE TO THE FACT THAT THEIR RELEVANCY DIMINISHES OVER TIME.

A LITTLE MORE ABOUT GAPS

StoMaster tracks bullish and bearish gaps to assess the strength of an upward/downward correction from oversold/overbought ranges. A bullish gap is formed when the low of the range from the last vertical line bar on a vertical price line chart for any given time frame period under consideration (i.e. 100 Minute, Daily, Weekly, or Monthly) is followed by the next vertical line bar, the high of the range of which is lower than the low of the preceding vertical line bar. For example, on the Daily chart a new high-low-close range vertical bar is recorded each day (the 100 Minute chart, each subsequent 100 minutes, the Weekly chart, each week, the Monthly chart, each month.) Let's use the Daily chart by way of example. Suppose on a given day the Daily action on the bond sees the following:

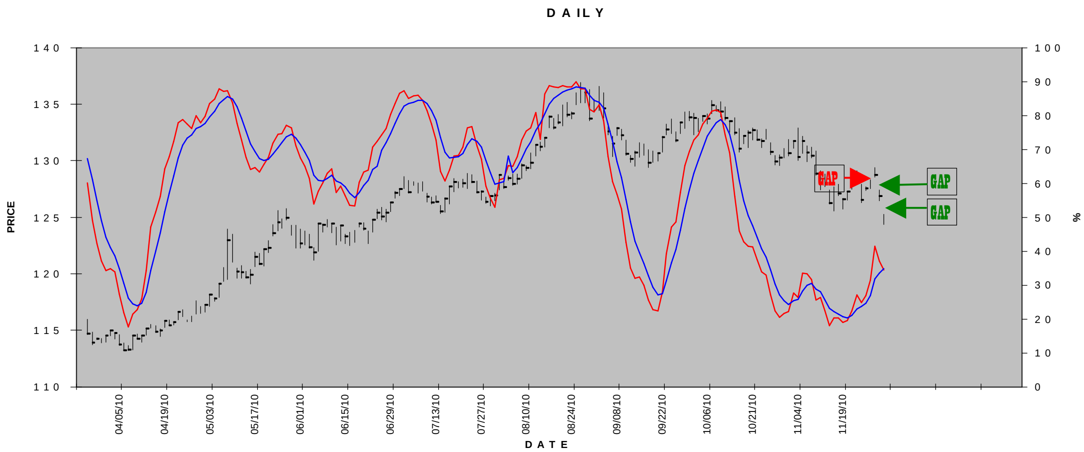
Day 1
High - 126
Low - 125
Close - 125^16

Then suppose on the following day the price action records these stats:

Day 2
High - 124^16
Low - 124^00
Close - 124^00

Note that the high price recorded on Day 2 is .16 tics lower than the low price registered on Day 1. Hence, we have a .16 tic bullish gap. Just as nature abhors a vacuum, bond price action abhors a gap. Therefore, like a black hole, the gap will naturally draw prices higher on an upward correction in the bond when the Sixty and 100 Minute Sto (i.e. the short term Sto's) finally becomes oversold, in order to "fill the gap." That is, to retrace price back up to 125^00, effectively "covering" the .16 tic void.

The dynamics of a bearish gap work exactly in reverse, the void tending to pull bond prices down in order to "fill the gap."



Since a picture is worth a thousand words, let's look at the Daily chart above. Note that the bearish gap formed between Day 1 and Day 2 was filled by the bullish gap formed between Day 2 and Day 3, followed by a subsequent bullish gap between Day 3 and Day 4.