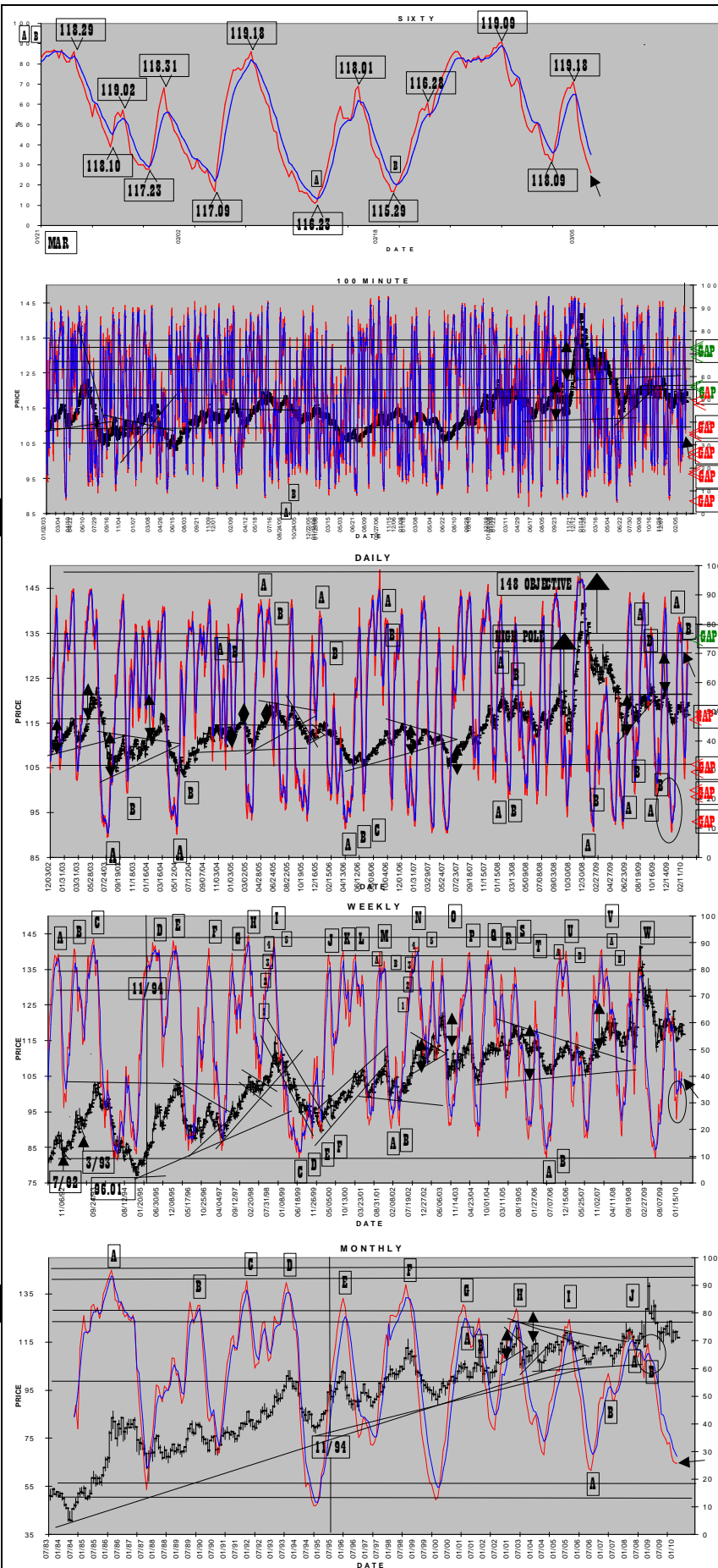


**STOCHASTIC
FORMASFER®
ANALYTICS**



MAR BONDS H: 117.23 L: 116.16 C: 116.22 -1.01 MAR 05, 2010

UPDATE

60 MINUTE The Sixty reversed savagely, plunging to the verge of oversold strata, to close at 26/35 K/D, with bonds ending at 116*22 (basis June), off -.33 tics on the day. Clearly not even a market for old or young men. Note the Hondo's nine bearish gaps below. These bearish lacuna are now opposed by five bullish gaps.

100 MINUTE The Hondo also reversed in tandem with the Sixty, outing lower to close at 35/45 K/D. The Hondo opened a +.16 tic bullish gap between 119*23-119*07 on 12/03/09. The Hondo opened an +.08 tic bullish gap between 121*22-121*14 on 12/01/09. The Hondo filled all but +.04 tics of the +.27 tic bullish gap between 129*24-128*29 on 03/18/09. The Hondo opened a +.32 tic bullish gap between 130*24-129*24 on 01/20/09. The Hondo opened a +.22 tic bullish gap between 132*31-132*09 on 01/16/09. The Hondo filled the +.01 tic bearish gap between 117*02-117*03 on 03/05/10. The Hondo filled +.04 tics of its +.09 tic bearish gap between 116*11-116*20 on 03/05/10. The Hondo filled +.09 tics of the +.23 tic bearish gap between 113*26-114*17 on 01/12/10. The Hondo opened a +.09 tic bearish gap between 105*15-105*24 on 06/25/08. The Hondo opened an +.08 tic bearish gap between 104*01-104*09 on 11/01/07. The Hondo opened a +.03 tic bearish gap between 98*13-98*16 on 07/20/07. The Hondo opened a +.03 tic bearish gap between 98*13-98*16 on 07/20/07. The Hondo opened a +.05 tic bearish gap between 97*29-98*02 on 06/25/07. The +.03 tic bearish gap between 92*26-92*29 remains open. The +.02 bearish gap between 91*16-91*18 remains open. The +.11 tic bearish gap between 83*12-83*23 remains open.

DAILY THE DAILY UPCROSSED ON 02/24 AT 34.50/34.50 K/D, DOWNCROSSED ON 02/09 AT 78/78, UPCROSSED ON 02/05 AT 78/78 K/D, DOWNCROSSED ON 02/03 AT 79/79 K/D AND UPCROSSED ON 12/30 AT 12/12 K/D. The Daily narrowed its positive spread to +5.02 K/D from the prior session's +9.95 K/D, to close at 71.47/66.45 K/D. The Daily upcrossed on 02/24 after a garden variety 15 day downcycle (ave.=15-20 days) thus completing the workout of its bearish divergence at "AB" and setting the stage for a grushie upcycle. The Daily opened a +.01 tic bullish gap between 132*10-132*09 on 01/16/09. The Daily filled +.09 of the +.14 tic bearish gap between 114*03-114*17 on 01/12/10. The Daily opened an +.08 tic bearish gap between 103*27-103*29 on 10/19/07. The Daily opened a +.02 tic bearish gap between 103*27-103*29 on 10/19/07. The Daily opened a +.03 tic bearish gap between 98*13-98*16 on 07/20/07. The +.04 tic bearish gap between 97*01-97*05 on 06/25/07 remains open. The +.03 tic bearish gap between 92*16-92*19 remains open.

WEEKLY THE WEEKLY UPCROSSED ON 02/25 AT 37/37 K/D, DOWNCROSSED ON 02/17 AT 37/37 K/D, UPCROSSED ON 01/25 AT 34.25/34.25 K/D, DOWNCROSSED ON 12/04 AT 59/59 K/D, UPCROSSED ON 11/25 AT 58/58 K/D, DOWNCROSSED ON 10/22 AT 64/64 K/D, UPCROSSED ON 10/16 AT 64/64 K/D AND DOWNCROSSED ON 10/15 AT 64/64 K/D. The Weekly narrowed its positive spread to +1.39 K/D from the prior session's +3.08 K/D, to close at 39.88/38.49 K/D. The Weekly upcrossed on 02/25, having downcrossed on 02/17, having upcrossed on 01/25 after a 14 week downcycle (ave.=8-12 weeks). This downcross was validated with the memorialization on Friday, 02/26, but continues an ongoing pattern of equivocation about the crossline that has prevailed since the beginning of the year. However, the Weekly is in position for a significant upmove and attendant strong bid in the bond.

MONTHLY THE MONTHLY DOWNCROSSED ON 01/29/09 AT 65.50/65.50 K/D, UPCROSSED AT 63/63 K/D ON 11/25/08, DOWNCROSSED AT 63/63 K/D ON 11/24/08, UPCROSSED AT 63/63 K/D ON 11/19/08, DOWNCROSSED AT 66/66 K/D ON 10/08/08, UPCROSSED AT 66/66 K/D ON 10/01/08, DOWNCROSSED AT 66/66 K/D ON 09/30/08, UPCROSSED AT 66.25/66.25 K/D ON 09/29/08, DOWNCROSSED ON 09/22/08 AT 66/66 K/D, UPCROSSED ON 09/02/08 AT 66.75/66.75 K/D, DOWNCROSSED ON 05/27/08 AT 70/70 K/D, UPCROSSED ON 05/23/08 AT 70/70 K/D, DOWNCROSSED ON 05/22/08 AT 70/70 K/D, UPCROSSED ON 05/15/08 AT 70/70 K/D, DOWNCROSSED ON 05/13/08 AT 70/70 K/D, UPCROSSED ON 05/08/08 AT 70/70 K/D AND DOWNCROSSED ON 05/02/08 AT 70/70 K/D. The Monthly widened its negative spread to -2.56 K/D from the prior session's -1.84 K/D, to close at 25.60/28.16 K/D. Vacillation about the crossline is common at turning points, BUT TAKE HEED TO THE BEARISH DIVERGENCE AT "AB" IT PLANISHED ON 01/29/09. FURTHER REINFORCING ITS BEAR CYCLE CALL ON THE INITIAL AND IMPERIAL MEMORIALIZATION OF ITS DOWNCROSS ON 05/02/08. QIE VIVE! THE MONTHLY MEMORIALIZED ITS DOWNCROSS ON 05/30/08. THIS OFFICIALLY MARKS THE END OF THE 2006-2008 SECULAR BULL MARKET! WORDS TO LIVE BY: NEVER FADE THE MONTHLY STO!

-FYI-

COMMON EQUIVOCATION ALERTS! THE MONTHLY DOWNCROSSED A PISSANT ON 01/29/09, UPCROSSED A DIBDLY ON 11/25/08, DOWNCROSSED A SHARD ON 11/24/08, UPCROSSED A HAET ON 11/19/08, DOWNCROSSED A BAGATELLE ON 10/08/08, UPCROSSED A NANISM ON 10/30/08, DOWNCROSSED AN HOTA ON 09/29/08, DOWNCROSSED A SUNKIT ON 09/29/08, DOWNCROSSED A MODIQUE ON 09/22/08, UPCROSSED A SMITHER ON 09/02/08, DOWNCROSSED A SCRIMPIT ON 05/27/08, UPCROSSED A DITE ON 05/23/08, DOWNCROSSED A FIG ON 05/22/08, UPCROSSED A MOTE ON 05/15/08 AND DOWNCROSSED A SOU ON 05/13/08!! THE MONTHLY UPCROSSED SCINTILLA ON 05/08/08!! BIG TIME ALERT! THE MONTHLY DOWNCROSSED A FLINDER ON 05/02/08!! ONE IRONCLAD STO RULE IS ABSOLUTELY CLEAR: NEVER FADE THE MONTHLY STO! WHY? "CAUSE THE STO HAS 'TALES!"

ANALYSIS

SHORT TERM Both the Sixty and Hondo whipsawed to downcrossed from ostensibly grushie upcycles, with the former nigh touching oversold metrics, while the latter mirrored closely in tow. Volatility, of course, is still in evidence, for we are now at the mercy of FIVE Hondo bullish gaps above, with NINE opposing bearish gaps below.

MEDIUM TERM The Daily upcrossed on 02/24, downcrossed on 02/09, upcrossed on 02/05, downcrossed on 02/03 and upcrossed on 12/30. The Daily upcross on 02/24 paid the workout of its bearish divergence at "AB" downcross on 02/09 swaged the 2nd and completing leg of bearish divergence at "AB", and ends a 15 day downcycle (ave.=15-20 days). This past downcycle has taken bonds from 118.18 back down to 115.29 through the operation of the workout if its bearish divergence. The Weekly upcrossed on 02/25, downcrossed on 02/17, upcrossed on 01/25, downcrossed on 12/04, upcrossed on 11/25, downcrossed on 10/22, having upcrossed on 10/16 and downcrossed on 10/15. The Weekly upcrossed on 02/25 and downcrossed on 02/17, having only upcrossed on 01/25 after a 14 week downcycle marked by a very flip-floppy start on 10/15 (ave.=8-12 weeks). Some significant upside pyrotechnics could occur in the bond, given that the Daily has also just upcrossed (02/24).

LONG TERM The Monthly downcrossed on 01/29/09, upcrossed on 11/25/08, downcrossed on 11/24/08, upcrossed on 11/19/08, downcrossed on 10/08, upcrossed on 10/01, downcrossed on 09/30, upcrossed on 09/29, downcrossed on 09/22, upcrossed on 09/02/08, downcrossed on 05/27/08, upcrossed on 05/23/08, downcrossed on 05/22/08, upcrossed on 05/15/08, downcrossed on 05/13/08, upcrossed on 05/08/08, downcrossed on 05/02/08, upcrossed on 08/27/07, downcrossed on 06/01/07 and upcrossed on 09/19/06. The Monthly's downcross on 01/29/09 reverses its upcross on 11/25/08 and stiches a bearish divergence at "AB", which reversed its upcross on 11/25/09, which reversed its downcross on 11/24/08, which reversed its upcross on 11/19/08, which reversed its downcross on 10/08, which reversed its upcross on 10/01, which reversed its downcross on 09/30 which reversed its upcross on 09/29, which reversed its downcross on 09/22 reverses its upcross on 09/02, which reversed its downcross on 05/27/08, which reversed its upcross on 05/23/08, which reversed its downcross on 05/22/08, which reversed its upcross on 05/15/08, which reversed its downcross on 05/13/08 succeeding its upcross on 05/08/08 and incontrovertibly demonstrates equivocation about the crossline, a common dynamic at turning points. The downcross on 05/02/08, however, sounded the early warning tocsin for the exodoi of the secular bull market begun September 2006. Fibrillation about this crossline is highly likely until memorialization (a close in the downcrossed position) is ascertained at month's end, but quite often continues well after memorialization. NOTE THE BEARISH DIVERGENCE AT "AB" FORGED ON THE 01/29/09 DOWNCROSS. INVOLGATED: THE MONTHLY MEMORIALIZED ITS DOWNCROSS ON 05/30/08. SO TERMINATES THE SECULAR BULL MARKET OF 2006-2008. ALERT (12/08/08): THE MONTHLY STO DOWNCROSSED; ALERT (01/08/09): THE MONTHLY STO DOWNCROSSED; ALERT (01/08/09): THE MONTHLY STO UPCROSSED; ALERT (09/30/08): THE MONTHLY STO DOWNCROSSED; ALERT (09/29/08): THE MONTHLY STO UPCROSSED; ALERT (09/22/08): THE MONTHLY STO DOWNCROSSED; ALERT (09/02/08): THE MONTHLY STO UPCROSSED; ALERT (05/27/08): THE MONTHLY STO DOWNCROSSED; ALERT (05/23/08): THE MONTHLY STO UPCROSSED; ALERT (05/15/08): THE MONTHLY STO DOWNCROSSED; ALERT (05/13/08): THE MONTHLY STO DOWNCROSSED; ALERT (05/13/08): THE MONTHLY STO UPCROSSED; ALERT (05/08/08): THE MONTHLY STO DOWNCROSSED; ALERT (05/08/08): THE MONTHLY STO UPCROSSED; ALERT (05/02/08): THE MONTHLY STO DOWNCROSSED; Never forget and always remember: "Those who would covet, Great wealth to be made, Dare not on their life, The Sto Monthly to fade."

Be sure to read "Act Like a Goose - Fly South," and "Be On the Northbound Train." Baedecker for archetypal and seminal bear and bull secular market calls of the past (www.stomaster.com/bo2.htm). For daily telephonic updates, call Jeff Rosenberg at (901) 347-1701.k
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