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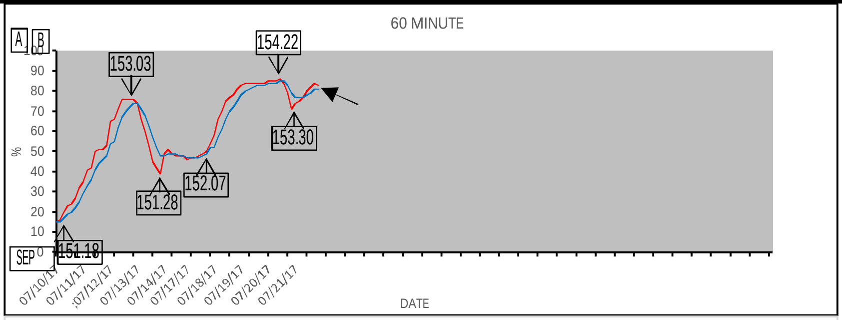
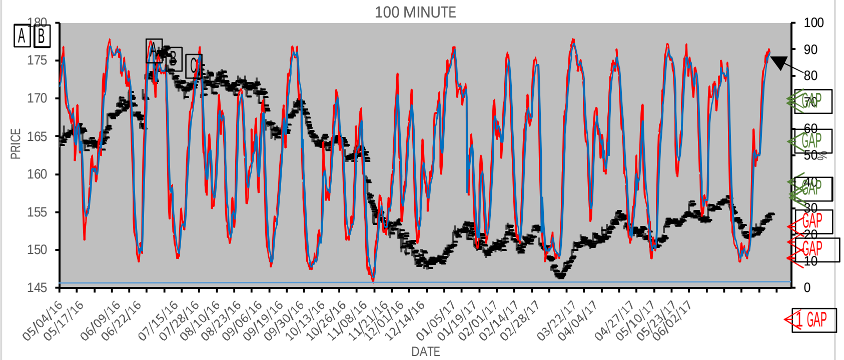
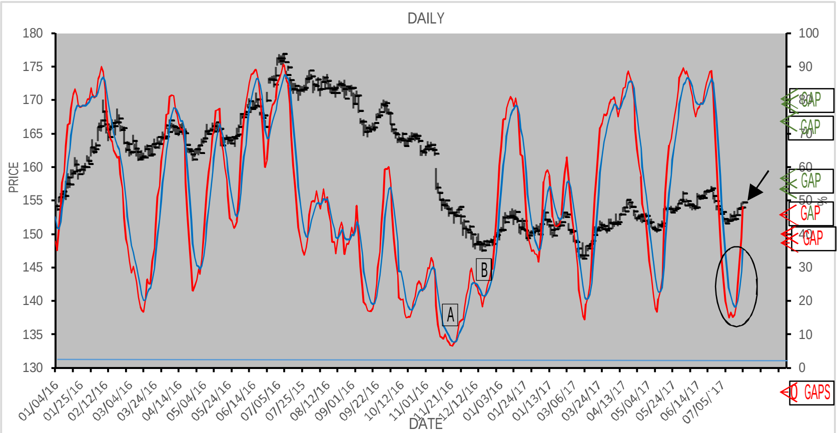
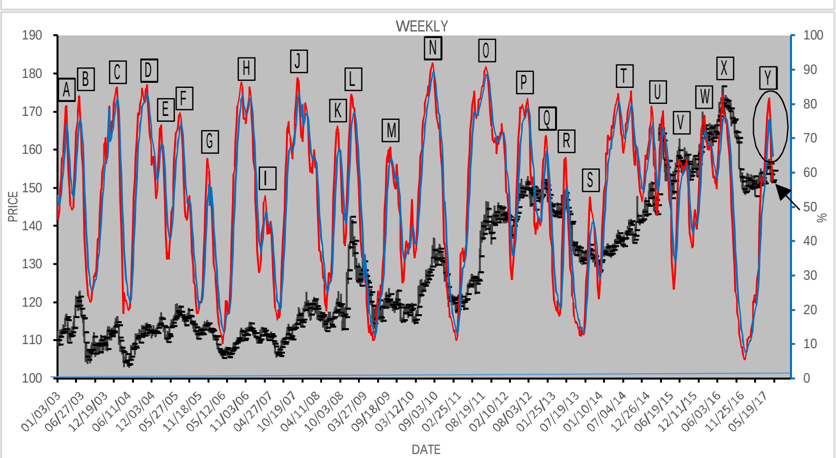
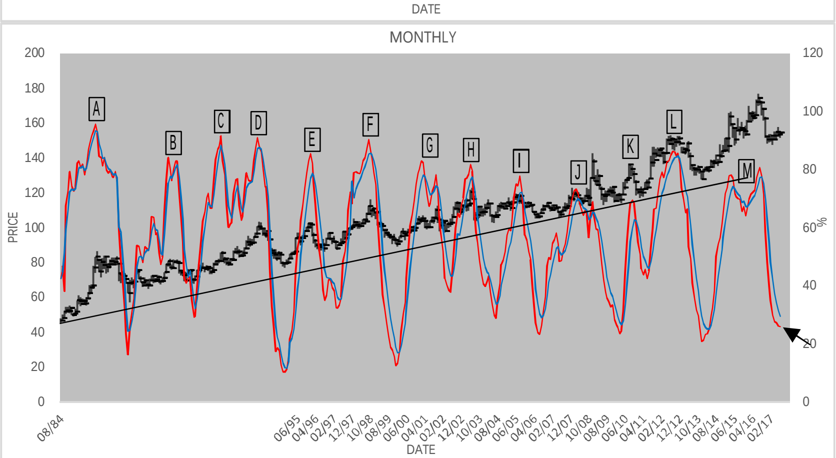
ANALYTICS











SEP BONDS H: 154.31 L: 154.15 C: 154.25 +.23 JULY 21, 2017

VEN 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 whipsawed back to an upcross, to close at 83/81 K/D, with bonds ending at 154^25 *(basis Sep)*, up +.23 tics on the day. Note the Hondo's four b**earish** gaps below. These bearish lacunas are now opposed by six **bullish** gaps.

100 MINUTE The Hondo whipsawed back to an upcross, to close at 89/89 K/D. **The Hondo filled the remaining+.05 tics of the +.15 tic bullish gap between 154^27-154^12 opened 06/29/17 on 07/21/17. The Hondo opened a +.18 tic bullish gap between 156^27-156^13 on 06/27/17. The Hondo filled another +.18 tics of the +.58 tic bullish gap between 157^26-156^00 opened 11/09/16 on 06/22/17 for a total of +23 tics. The Hondo opened a +.09 tic bullish gap between 159^10-159^01 on 11/07/16. The Hondo opened a +.08 tic bullish gap between 164^18-164^10 on 09/08/16. The Hondo opened a +.41 tic bullish gap between 170^14-169^05 on 07/14/16. The Hondo filled +.24 tics of the +.38 tic bullish gap between 170^10-169^04 opened 07/12/16 on 07/13/16. The Hondo opened a +.02 tic bearish gap between 152^31-153^01 on 07/18/17. The Hondo opened a +.18 tic bearish gap between 150^14-151^00 on 05/17/17. The Hondo opened a +.04 tic bearish gap between 149^15-149^19 on 05/12/17. The Hondo filled another +.17 tics of the+.47 tic bearish gap between 138^05-139^20 opened 06/29/15 on 07/02/15 for a total of +.43 tics.** ***(Click www.stomaster.com/stogaps.pdf to see additional 100 Minute gaps with detail).***

DAILY THE DAILY UPCROSSED ON 07.18/17 AT 18.50/18.50 K/D, DOWNCROSSED ON 06/27/17 AT 86/86 K/D, UPCROSSED ON 06/20/17 AT 79/79 K/D, DOWNCROSSED ON 06/19/17 AT 78.90/78.90 K/D, UPCROSSED ON 06/16/17 AT 78.50/78.50 K/D, DOWNCROSSED ON 06/08/17 AT86/86 K/D, UPCROSSED ON 05/15/17 AT 23/23 K/D, DOWNCROSSED ON 04/21/17 AT 85.50/85.50 K/D, UPCROSSED ON 04/11/17 AT 77.50/77.50 K/D, DOWNCROSSED ON 04/07/16 AT 78/78 K/D, UPCROSSED ON 03/17/17 AT 21/21 K/D, DOWNCROSSED ON 03/02/17 AT 55/55 K/D, UPCROSSED ON 02/23/17 AT 44.50/44.50 K/D, DOWNCROSSED ON 02/15/17 AT 52/52 K/D, UPCROSSED ON 02/06/17 AT 35.50/35.50 K/D AND DOWNCROSSED ON 01/18/17 AT 78.25/78.25 K/D. **The Daily widened its positive spread to +12.76 K/D from the prior sessions +9.86 K/D, to close at 48.20/35.44 K/D. ALERT 07/18/17: The Daily upcrossed. ALERT 06/27/17: The Daily downcrossed. ALERT 06/20/17: The Daily upcrossed. ALERT 06/19/17: The Daily downcrossed. ALERT 06/16/17: The Daily upcrossed. ALERT 06/08/17: The Daily downcrossed. ALERT 05/15/17: The Daily upcrossed. ALERT 04/21/17: The Daily downcrossed. ALERT 04/11/17: The Daily upcrossed. ALERT 04/07/17: The Daily downcrossed. ALERT 03/17/17: The Daily upcrossed. ALERT 03/02/17: The Daily downcrossed. ALERT 02/23/17: The Daily upcrossed. ALERT 02/15/17: The Daily downcrossed. ALERT 02/06/17: The Daily upcrossed. ALERT 01/18/17: The Daily downcrossed. The Daily upcrossed on 07/18/17 after a textbook perfect 20 day downcycle *(avg.=15-20 days).* The Daily filled the remaining +.05 tics of the +.15 tic bullish gap between 154^27-154^12 opened 06/29/17 on 07/21/17. The Daily opened a +.14 tic bullish gap between 156^27-156^12 on 06/27/17. The Daily filled another +.18 tics of the +.58 tic bullish gap between 157^26-156^00 opened 11/09/16 on 06/22/17 for a total of +23 tics. The Daily opened a +.06 tic bullish gap between 166^25-166^19 on 09/08/16. The Daily opened a +.31 tic bullish gap between 169^04-168^05 on 07/14/16. The Daily filled +.24 tics of the +.37 tic bullish gap between 170^09-169^04 opened 07/12/16 on 07/13/16. The Daily opened a +.01 tic bearish gap between 153^00-153^01 on 07/18/17. The Daily opened a +.05 tic bearish gap between 150^27-151^01 on 05/17/17. Daily opened a +.01 tic bearish gap between 149^18-149^19 on 05/12/17.** ***(Click www.stomaster.com/stogaps.pdf to see additional Daily gaps with detail).***

WEEKLY THE WEEKLY DOWNCROSSED ON 06/30/17 AT 75.50/75.50 ON 06/30/17, UPCROSSED ON 03/14/17 AT 20.25/20.25 K/D, DOWNCROSSED ON 03/13/17 AT 25/25 K/D, UPCROSSED ON 01/03/17 AT 7.60/7.60 K/D, DOWNCROSSED ON 08/02/16 AT 76.25/76.25 K/D, UPCOSSED ON 07/27/16 AT 75.50/75.50 K/D, DOWNCROSSED ON 07/20/16 AT76/76 K/D, UPCROSSED ON 07/19/16 AT 76/76 K/D, DOWNCROSSED ON 07/18/16 AT 75.90/75.90 K/D, UPCROSSED ON '06/03/16 AT 59/59 K/D, DOWNCROSSED ON 04/18/16 AT 68.75/68.75 K/D, UPCROSSED ON 04/13/16 AT 68.50/68.50 K/D, DOWNCROSSED ON 04/12/16 AT 68.70/68.70 K/D, UPCROSSED ON 04/07/16 AT 68.25/68.25 K/D, DOWNCROSSED ON 04/06/16 AT 68.25/68.25 K/D, UPCROSSED ON 04/05/16 AT 68/68 K/D, DOWNCROSSED ON 03/09/16 AT 72/72 K/D, UPCROSSED ON 03/08/16 AT 72/72 K/D, DOWNCROSSED ON 03/07/16 AT 71.75/71.75 K/D AND UPCROSSED ON 01/07/16 AT 45/45 K/D. **The Weekly narrowed its negative spread to -5.58 K/D from the prior session's -6.79 K/D, to close at 59.21/64.79 K/D. ALERT 06/30/17: THE WEEKLY DOWNCROSSED! ALERT 03/14/17: THE WEEKLY UPCROSSED!! ALERT 03/13/17: THE WEEKLY DOWNCROSSED! ALERT 01/03/17: THE WEEKLY UPCROSSED!! ALERT 08/02/16: THE WEEKLY DOWNCROSSED! ALERT 07/27/16: THE WEEKLY UPCROSSED!! ALERT 07/20/16: THE WEEKLY DOWNCROSSED! ALERT 07/19/16: THE WEEKLY UPCROSSED!! ALERT 07/18/16: THE WEEKLY DOWNCROSSED! ALERT 06/03/16: THE WEEKLY UPCROSSED!! ALERT 04/18/16: THE WEEKLY DOWNCROSSED! ALERT 04/13/16: THE WEEKLY UPCROSSED!! ALERT 04/12/16: THE WEEKLY DOWNCROSSED! ALERT 04/07/16: THE WEEKLY UPCROSSED!! ALERT 04/06/16: THE WEEKLY DOWNCROSSED! ALERT 04/05/16: THE WEEKLY UPCROSSED!! ALERT 03/09/16: THE WEEKLY DOWNCROSSED! ALERT 03/08/16: THE WEEKLY UPCROSSED!! ALERT 03/07/16: THE WEEKLY DOWNCROSSED! ALERT 01/07/16: THE WEEKLY UPCROSSED!!** The Weekly downcrossed on 06/30/17 after a 14 week upcycle *(avg.=8-12 weeks).* 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 10/03/16 AT 76/76 K/D, UPCROSSED ON 09/22/16 AT 77.25/77.25 K/D, DOWNCROSSED ON 09/21/16 AT 77.25/77.25 K/D, UPCROSSED ON 09/20/16 AT 77.20/77.20 K/D, DOWNCROSSED ON 09/15/16 AT 77.25/77.25 K/D, UPCROSSED ON 09/14/16 AT 77.15/77.15 K/D, DOWNCROSSED ON 09/13/16 AT 77.25/77.25 K/D, UPCROSSED ON 02/01/16 AT 67.10/67.10 K/D, DOWNCROSSED ON 08/25/15 AT 71.75/71.75 K/D, UPCROSSED ON 08/21/15 AT 72.47/72.47 K/D, DOWNCROSSED ON 06/02/15 AT 74/74 K/D, UPCROSSED ON 04/30/14 AT 25/25 K/D AND DOWNCROSSED ON 04/29/14 AT 25/25 K/D. **The Monthly narrowed its negative spread to -3.69 K/D from the prior sessions -4.02 K/D, to close at 25.83/29.52 K/D. ALERT 10/03/16: THE MONTHLY DOWNCROSSED. ALERT 09/22/16!! THE MONTHLY UPCROSSED. ALERT 09/21/16: THE MONTHLY DOWNCROSSED. ALERT 09/20/16!! THE MONTHLY UPCROSSED. ALERT 09/15/16: THE MONTHLY DOWNCROSSED. ALERT 09/14/16!! THE MONTHLY UPCROSSED. ALERT 09/13/16: THE MONTHLY DOWNCROSSED. ALERT 02/01/16!! THE MONTHLY UPCROSSED. ALERT 08/25/15: THE MONTHLY DOWNCROSSED. ALERT 08/21/15!! THE MONTHLY UPCROSSED. ALERT 06/30/15: THE MONTHLY MEMORIALIZED ITS DOWNCROSS. ALERT 06/02/15: THE MONTHLY DOWNCROSSED. THE MONTHLY MEMORIALIZED ITS APRIL UPCROSS!! ALERT 04/29/14!! THE MONTHLY UPCROSSED. The Monthly downcrossed on 10/03/16, upcrossed on 09/22/16, downcrossed on 09/21/16, upcrossed on 09/20/16, downcrossed on 09/15/16, upcrossed on 09/14/16, downcrossed on 09/13/16, upcrossed on 02/01/16, downcrossed on 08/25/15, upcrossed on 08/21/15 and downcrossed on 06/02/15 after hosting a 13 month secular bull market prevailing for 13 months *(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 MEMORIALIZED ITS DOWNCROSS ON 06/30/15. ALERT!! THE MONTHLY DOWNCROSSED ON 06/02/15!! DOUBLE FLASH!! THE MONTHLY MEMORIALIZED ITS UPCROSS ON 04/30/14!! 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 S
ECULAR 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 TOCSIN TO THE BEAR MARKET OF 2011. ***OF HISTORICAL NOTE: "FINALLY, ON 06/01/10, THE MONTHLY COMMITED TO A DEFINITIVE UPCYCLE, LIFTING HIGHER WITH CONVICTION AFTER SKITTISHLY FIDDLE-FOOTING AROUND SINCE IT MEMORIALIZED 05/03/10 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 STO DON'T LIE!!"**

ANALYSIS

SHORT TERM Both the Sixty and the Hondo whipsawed back to upcrosses, with the former lifting to regain solidly overbought metrics K/D and ending on a bullish near-near hinge position K/D on the close, while the latter faded back from a strong open at 90 %K, to end on a hinge position K/D in uber-overbought loci at the bell. Both are exhibiting extreme skittish behavior in this heightened environment of uncertainty. The bond's corrective upcycles that we have witnessed in the last few months will ultimately transition to a bona fide secular bear market, the call for which was made on 06/30/15 with the memorialization of the Monthly Sto. Irrespective of ostensibly bullish action…IT STILL STANDS!! Patience is required as inordinate volatility plays out. **With the Monthly's downcross on 06/02/15 and memorialization on 06/30/15, transition to a secular bear market will ultimately prevail.** We are now at the mercy of **SIX** bullish gaps above, with **FOUR** opposing bearish gaps below.

MEDIUM TERM The Daily upcrossed on 07/18/17, downcrossed on 06/28/17, upcrossed on 06/20/17, downcrossed on 06/19/17, upcrossed on 06/16/17, downcrossed on 06/08/17, upcrossed on 05/15/17, downcrossed on 04/21/17, upcrossed on 04/11/17, downcrossed on 04/07/17, upcrossed on 03/17/17, downcrossed on 03/02/17, upcrossed on 02/23/17, downcrossed on 02/15/17, upcrossed on 02/06/17 and downcrossed on 01/18/17. **ALERT 07/18/17: THE DAILY UPCROSSED!! ALERT 06/28/17: THE DAILY DOWNCROSSED!! ALERT 06/20/17: THE DAILY UPCROSSED!! ALERT 06/19/17: THE DAILY DOWNCROSSED!! ALERT 06/16/17: THE DAILY UPCROSSED!! ALERT 06/08/17: THE DAILY DOWNCROSSED!! ALERT 05/15/17: THE DAILY UPCROSSED!! ALERT 04/21/17: THE DAILY DOWNCROSSED!! ALERT 04/11/17: THE DAILY UPCROSSED!! ALERT 04/07/17: THE DAILY DOWNCROSSED!! ALERT 03/17/17: THE DAILY UPCROSSED!! ALERT 03/02/17: THE DAILY DOWNCROSSED!! ALERT 02/23/17: THE DAILY UPCROSSED!! ALERT 02/15/17: THE DAILY DOWNCROSSED!! ALERT 02/06/17: THE DAILY UPCROSSED!! ALERT 01/18/17: THE DAILY DOWNCROSSED!!** The Daily upcrossed on 07/18/17 after a paradigm 20 day downcycle. *(avg.=15-20 days).* The Daily had been exhibiting since mid-month November "bouncing along the bottom," a stochastic dynamic wherein incremental movements in K/D lower result in outsized downward displacement in the bond price. It is wise to remember an important *StoMaster* mantra: **"BEAR MARKETS ARE BUILT ON THE BACKS OF BULLISH DIVERGENCES."** ***The Weekly downcrossed on 06/30/17, upcrossed on 03/14/17, downcrossed on 03/13/17, upcrossed on 01/03/17, downcrossed on 08/02/16, upcrossed on 07/27/16, downcrossed on 07/20/16, upcrossed on 07/19/16, downcrossed on 07/18/16, upcrossed on 06/03/16, downcrossed on 04/18/16, upcrossed on 04/13/16, downcrossed on 04/12/16, upcrossed on 04/07/16, downcrossed on 04/06/16, upcrossed on 04/05/16, downcrossed on 03/09/16, upcrossed on 03/08/16. downcrossed on 03/07/16, upcrossed on 01/07/16.*** **ALERT 06/30/17: THE WEEKLY DOWNCROSSED! ALERT 03/14/17: THE WEEKLY UPCROSSED!! ALERT 03/13/17: THE WEEKLY DOWNCROSSED! ALERT 01/03/17: THE WEEKLY UPCROSSED!! ALERT 08/02/16: THE WEEKLY DOWNCROSSED! ALERT 07/27/16: THE WEEKLY UPCROSSED!! ALERT 07/20/16: THE WEEKLY DOWNCROSSED! ALERT 07/19/16: THE WEEKLY UPCROSSED!! ALERT 07/18/16: THE WEEKLY DOWNCROSSED! ALERT 06/03/16: THE WEEKLY UPCROSSED!! ALERT 04/18/16: THE WEEKLY DOWNCROSSED! ALERT 04/13/16: THE WEEKLY UPCROSSED!! ALERT 04/12/16: THE WEEKLY DOWNCROSSED! ALERT 04/07/16: THE WEEKLY UPCROSSED!! ALERT 03/06/16: THE WEEKLY DOWNCROSSED! ALERT 04/05/16: THE WEEKLY UPCROSSED!! ALERT 03/09/16: THE WEEKLY DOWNCROSSED! ALERT 03/08/16: THE WEEKLY UPCROSSED!! ALERT 03/07/16: THE WEEKLY DOWNCROSSED! ALERT 01/01/16: THE WEEKLY UPCROSSED!!** The Weekly downcrossed on 06/30/17 after a 14 week 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 10/03/16, upcrossed on 09/22/16, downcrossed on 09/2/16, upcrossed on 09/20/16. downcrossed on 09/15/16, upcrossed on 09/14/16, downcrossed on 09/13/16 at 77.25/77.25 K/D, upcrossed on 02/01/16, downcrossed on 08/25/15, upcrossed on 08/21/15, downcrossed on 06/02/15 and upcrossed on 04/30/14. **ALERT 10/03/16: THE MONTHLY DOWNCROSSED.ALERT 09/22/16: THE MONTHLY UPCROSSED. ALERT 09/21/16: THE MONTHLY DOWNCROSSED. ALERT 09/20/16: THE MONTHLY UPCROSSED. ALERT 09/15/16: THE MONTHLY DOWNCROSSED. ALERT 09/14/16: THE MONTHLY UPCROSSED. ALERT 09/13/16: THE MONTHLY DOWNCROSSED. ALERT 02/01/16: THE MONTHLY UPCROSSED. ALERT 08/31/15: THE MONTHLY MEMORIALIZED ITS DOWNCROSS. ALERT 08/25/15: THE MONTHLY DOWNCROSSED. ALERT 08/21/14: THE MONTHLY UPCROSSED. ALERT 06/30/15: THE MONTHLY MEMORIALIZED ITS DOWNCROSS. ALERT 06/02/15: THE MONTHLY DOWNCROSSED. ALERT 09/17/14: THE MONTHLY HAS MET THE MEASURED MOVE OBJECTIVE OF ITS *REVERSE H&S* FORMATION, BUT STILL HAS A WAYS TO GO IN ITS CALL FOR THIS SECULAR BULL MARKET. ALERT 05/02/14: THE MONTHLY HAS BROKEN TO THE UPSIDE OF A *REVERSE H&S* FORMATION!! ALERT 04/30/14: THE MONTHLY UPCROSSED AND MEMORIALIZED THE UPCROSS!** The Monthly downcrossed on 10/03/16, upcrossed on 09/22/16, downcrossed on 09/21/16, upcrossed on 09/20/16, downcrossed on 09/15/16, upcrossed on 09/14/16, downcrossed on 09/13/16, upcrossed on 02/01/16, downcrossed on 08/21/15 and upcrossed on 08/21/15. The Monthly memorialized its downcross of 06/02/15 on 06/30/15 and sounds the clarion call of the commencement of the secular bear market of 2015-2016 *(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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