

TECHNICAL CHARTING OPINION

eResearch Corporation is pleased to feature a technical opinion by Chris Kimble of Kimble Charting Solutions.



Mr. Kimble states, on his website www.kimblechartingsolutions.com, that his goal for his investment research is to:

... help people to enlarge portfolios regardless of market direction by looking for patterns at extreme points of "exhaustion" with a high probability of reversing, called TBNM: tops, bottoms, no middles. The intent is to simplify the decision-making process.

Mr. Kimble has been in financial services for over 30 years.

His research is intended to simplify investment decisions and increase confidence with charts that are clear as to the pattern at hand and action to take. His strategy is to look for chart patterns at extreme exhaustion points that have a high probability of reversing. These extremes reflect excess fear and greed of global investors and, therefore, they can be capitalized upon.

By providing research showing markets at extremes of long term resistance or support, and including bullish/bearish sentiment readings when available, Mr. Kimble attempts to help investors simplify their decision-making, reduce risk, increase confidence, and improve results.

Today's article begins on the following page, and is entitled:

Inflation Indicator Breaks Support; Continues To Fall

You can access his website and subscribe to his service at the following link:

www.kimblechartingsolutions.com

Note: All of the comments, views, opinions, suggestions, recommendations, etc., contained in this Article, and which is distributed by eResearch Corporation, are strictly those of the Author and do not necessarily reflect those of eResearch Corporation.

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Inflation Indicator Breaks Support; Continues To Fall

(To enlarge the chart below, place cursor on chart, and <Ctrl-Click>)

The economy continues to do well, along with the stock market, prompting many to be concerned about inflationary pressures picking up speed.

The chart below looks at the TIP/TLT ratio and the message it is sending about inflationary pressures, or lack of.



<Ctrl-Click> ON CHART TO ENLARGE

Since 2011, this inflationary indicator has continued to create a series of lower highs, inside of the red shaded channel above.

As mentioned in the chart, the indicator actually hit a low last July and started pushing higher. At the time of the low in this indicator at (1), nearly 90% of bond investors were bullish bonds and few thought the Fed would raise rates. That was a crowded trade that did not go well for bond bulls, as bonds fell hard and rates pushed sharply higher.

Turning the page forward 10 months, the majority feel like the Fed will raise rates.

Does the indicator agree with the crowd at this time? The TIP/TLT ratio hit 6-year falling channel resistance at (2) in March of this year and the ratio has continued to slip lower. The weakness the past 6 weeks has the ratio breaking below rising support at (3).

Was the rally in this ratio at (1) a signal that inflation is back or was the rally nothing more than a counter-trend rally, in a continuing downtrend?

If inflation is really back, one would need to see this ratio reflecting strength and breaking out of its 6-year falling channel.

***e*Research Corporation**

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