

## 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](http://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:

### **Mute Growth/Inflation Indicators**

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

[www.kimblechartingsolutions.com](http://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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## Mute Growth/Inflation Indicators

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

Post the election, the investment community believed that the new administration was going to get the economy to grow and that inflation would pick up.

The chart below looks at the Growth/Inflation indicator ratio, which is created by using the TIP/TLT ratio.

### 1. TIP/TLT Ratio



<Ctrl-Click> ON CHART TO ENLARGE

Prior to the election, the ratio took off, reflecting that many believed in the growth/inflation story, starting almost 1 year ago. The counter-trend rally took it up to its 6-year falling resistance level at (1), where it stopped on a dime.

Since hitting resistance, this ratio has starting falling rather sharply.

The indicator is now tanking, currently reflecting little belief that growth/inflation is going to take place in the near future!

The next chart looks at another growth/inflation indicator over the past 35 years, which finds itself at a critical support test at (3).

## 2. TR Equal Weight Commodity Index



**<Ctrl-Click> ON CHART TO ENLARGE**

The TR commodity index has spent the majority of the past 30 years inside this rising channel. After peaking in 2011 at the top of the channel, the index is now testing rising support again at (3). This support test is the bottom of the 30-year rising channel. The growth/reflation theme has fingers crossed this key support point holds!!!

If the TIP/TLT ratio continues to drop and the TR commodity index breaks support at (3) above and keeps heading south, they both would be sending a message that growth/inflation is not something to be concerned about in the near future.



## ***e*Research Corporation**

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