

## 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:

**Double Breakout Here Would Be Good News For Bulls**

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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## Double Breakout Here Would Be Good News For Bulls

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

Over the past several weeks, select cyclical sectors have started to perk up. From Industrials to Transports to Financials to Materials, all have seen strength.

This is good news for investors, as this could signal a fresh leg higher for stocks. Today, I would like to zoom in on the Financials (NYSEARCA:XLF) and Transports (NYSEARCA:IYT).

So how does all this work? The theory goes something like this: As the economy starts to perform better, businesses and consumers open their pocket-books, and cyclical sectors begin to perform better. As this occurs, treasury bond yields begin to rise (which we have seen).

The two sectors mentioned above (financials and transports) tend to perform quite well when the economy is on the cusp of an uptick.

As you can see in the charts below (which are very similar), both sectors are nearing major break-outs. The XLF (financials) and IYT (transports) are attempting to push past prior highs. This is what the bulls want to see. BUT it is also worth noting that this is early in the “break-out” phase, and bulls will need to see follow-through (as break-outs can take some time).





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Put these sectors on your radar. A double break-out would be welcome news for the broader markets.

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