

MSA

April 7, 2022

TLT: U.S. Government Bonds

TLT (iShares 20yr.+ U.S. Government Treasury Bond ETF)

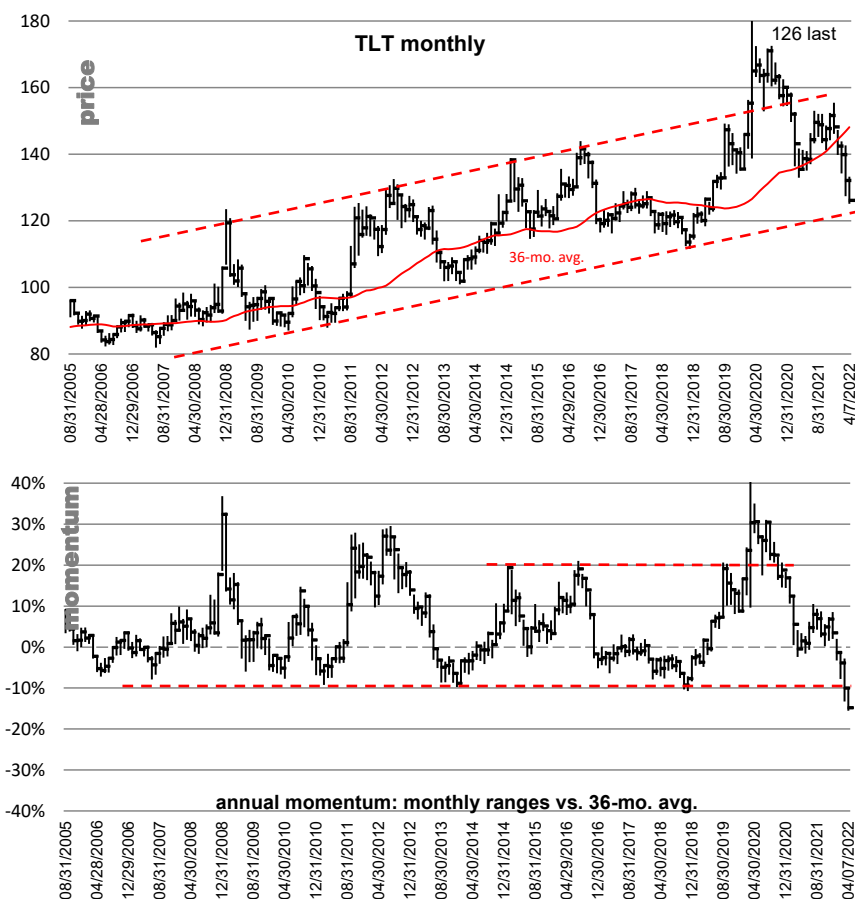
Here we update the charts from our March 23rd report.

TLT is even more broken now, as is evident on momentum.

Both price and momentum entered an acceleration phase of their aged bull trends in early 2020. Action after that held on top of the parallel channel top on price and on top of the range highs on momentum—until both aborted that blow-off phase in late 2020 for momentum and early 2021 for price. Aborts of prior acceleration phases almost always led to bear trends.

While momentum has rendered its major and final sell signal, price has one level remaining to break: the parallel channel bottom going back over a dozen years.

That level is in the very low 120s. Will Bonds put up a fight there? Or bounce from there, even if temporarily? Could



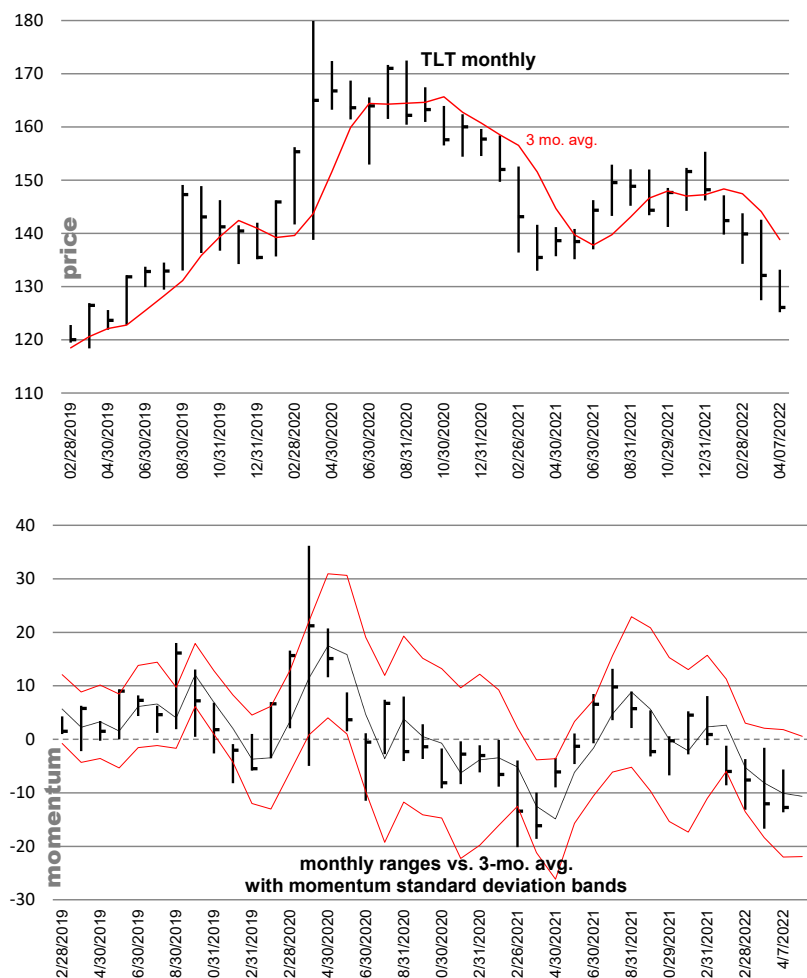
be. It wouldn't surprise us, but don't assume any such final bounce will do anything more than delay the collapse.

Let's look at TLT more closely via monthly momentum on the next page.

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Momentum Structural Analysis, LLC. michaeloliver@olivermsa.com

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Monthly momentum (price vs. the 3-mo. avg.) is not quite yet into oversold status, but a bit more weakness this month and it will register that oversold status (via the upper SD band dropping below the zero line).

Meaning that if in fact we see TLT move into the lower 120s and approach its channel bottom, then this time-scale will indicate oversold. In running some numbers, we find that if TLT dropped to just 124 this month, that would be enough to render an oversold monthly momentum signal. That sort of action could very well generate a bounce by TLT in the coming months off of that major channel bottom.

Therefore, while we rank TLT in a negative trend on annual momentum, there's a chance that it will bounce once more before taking out the price chart channel bottom.

Personal positions in markets mentioned in this report: none

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