The Debt Crisis

No Intention of Ever Repaying

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UNITED STATES SAVINGS BOND
THE UNITED STATES OF AMERICA
ONE THOUSAND DOLLARS
1000
1000

Contents

Introduction

For years I have been warning that this monetary system will collapse for the governments are hell-bent on promising the moon to always get reelected. Of course, they just assume that the system will continue and there is no reason why they cannot continue in this policy of borrowing indefinitely with no intentional of ever repaying the dent no less balancing the budget.

I have argued in meetings that this system will implode. I have advocated reform and that we restructure the debt by converting it to coupons that can only be redeemed by buying equities in the domestic market. This would provide capital for small business that banks routinely reject about 70% of such loans that would increase employment and expand the productive economy ending the competition of public v private debt. But on the opposite side of the table was Klaus Schwab advising to default on the debt, replace pensions with Guaranteed Basic Income also claiming his 4th Industrial Revolution will make the majority of the work force unemployable and replaced with robots.

Introduction

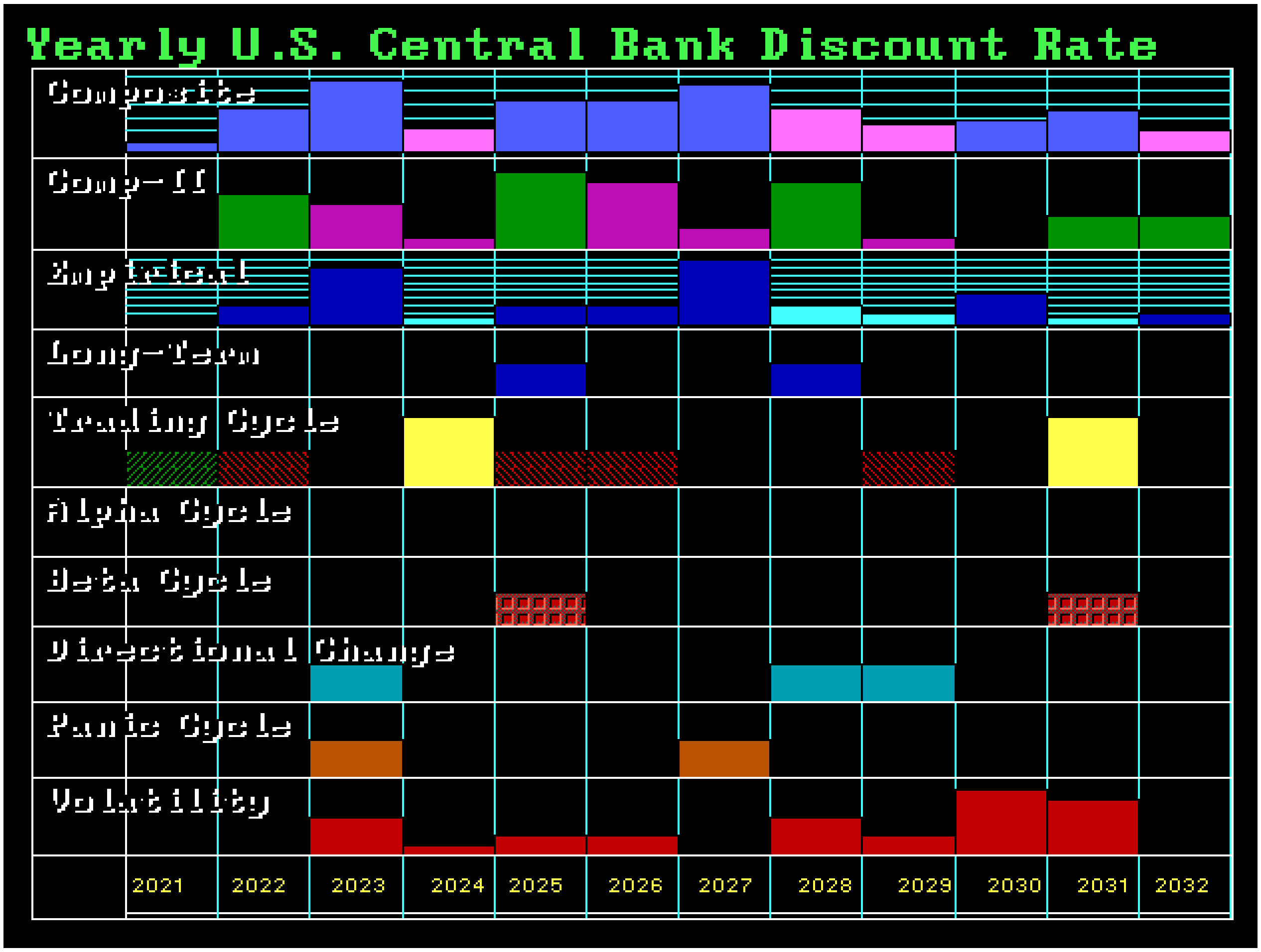
We must understand that my solution would have benefited society whereas Schwab's solution hands even more power to the politicians and relieves them of having to be subject to the evils of populism – the vote of the people. This is why Nigel Farage when he spoke at our 2019 WEC in Rome, he said he came because we were the "alternative to Davos" which has indeed been the case over the last 10 years in particular.

This is what is truly behind this saying; "You'll own nothing. And, you'll be happy" for this is a clever way of saying they will forgive all your debts, but in truth they need to market their default by turning death insurance and repackaging it as like insurance. Since the agenda is to simply default on all the debt, we will look at the timing in around the world in the world sovereign debt markets to give an idea of the climax of this agenda.

Official v Private Interest Rates

The number one problem with interest rates is that people will judge a forecast based exclusively upon what the Federal Reserve will do. This is really absurd for the Fed can only move short-term rates higher or lower. It has no control over private interest rates no less long-term. This is what Quantitative Easing was all about. The Fed was buying in long-term bonds trying to “influence” the long-term rates by reducing the competition from the government in that arena.

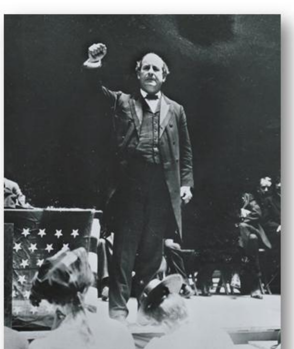
Therefore, we must understand that there is a separation between “official” rates set at the Fed and the private market rates. Obviously, you cannot get a car loan at the rate set by the Fed. The best auto loan rate is 4.99% in November 2021 compared to the Fed’s rate of 0.25%



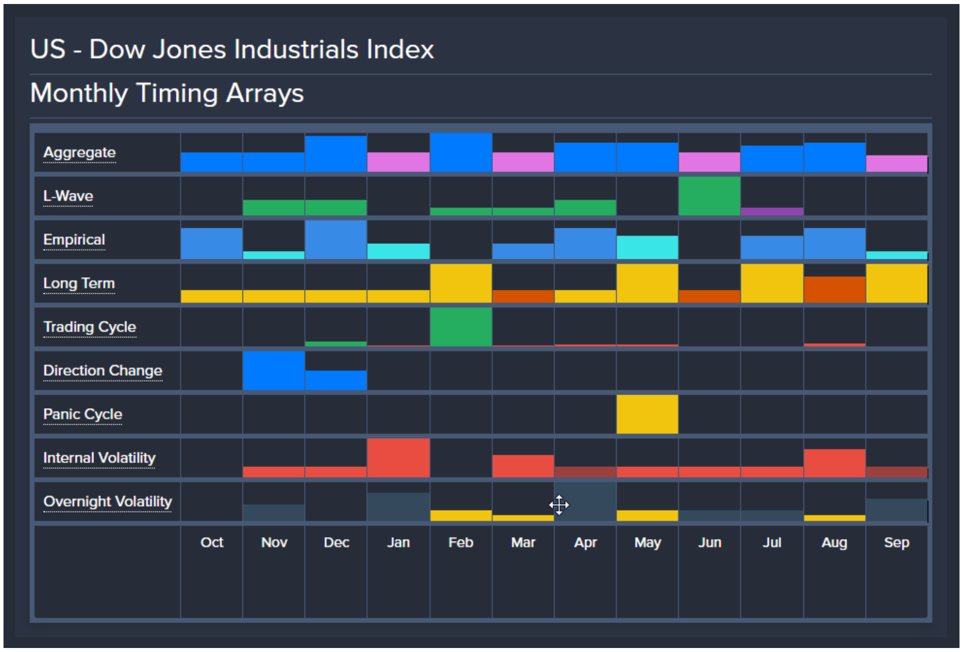
When we look at the Array on the yearly level, it appears that we have a Panic Cycle in 2023 which follows our Political Panic Cycle in 2022. We also see a Directional Change and the strongest target being 2023. This implies that the Progressives, pushing the Biden Administration for a free-wheeling spender like Constantius throwing free money to the crowds.

Constantius II (b317; Emperor 337 – 3 November 361AD)
1.25 Gold Solidus Medallion of 347AD

Or they want to resurrect William Jennings Bryan who made his fiery speech at the Democratic Convention of 1896 against the gold standard and wanted silver inflation screaming they should not crucify workers of a cross of exclusively gold.



William Jennings Bryan
(1860 - 1925)
Cross of Gold Speech - July 9yh, 1896



Even when we look at the Dow Jones Industrials, while we see a near-term target in December 2021 for a possible temp high. But note that the strongest target in 2022 so far appears to be shaping up as February. This coincides with the end of Powell's term.

While Biden will no doubt replace Powell at the Federal Reserve to promote his Build Back Better agenda, we must understand that the rates set by the central bank are becoming irrelevant. We have a major turning point in Jan/Feb 2022 which coincides with the end of Powell's term in February 2022. The spread between the cost of funds for a bank and what they charge is at historical highs.

Jerome Powell, the Federal Reserve Chair, has taken a cautious stance on a potential withdrawal of the central bank's huge economic stimulus measures. Yet Powell delivered his annual speech at the virtual August Jackson Hole central banking symposium. Powell's address was closely watched, as always, searching for signs of the Fed's plans to reduce the bond-buying that people think has helped support the pandemic recovery, and for any indications of when the bank could see interest rates rising. Powell is going to reverse the pandemic stimulus because the reality of inflation is that this is not temporary and he hopes to leave his post with history judging him as an independent rather than a lap-dog of Biden and the AOC contingency.

Nevertheless, the Fed is in far more of a box than people understand. The US economy is light-years ahead of most others mainly because Biden lacks the authority to impose nationwide lockdowns or vaccine mandates. He can only threaten those who work for the federal government. The joke in Florida is that we may need a militia to defend again an invasion of Biden troops trying to alter the success in one of the last surviving lands of the free and home to the brave.

Powell said the US economy has continued to recover and shown strong job growth. Indeed, he is saying the truth despite the best efforts of the Democrats to prevent a robust recovery by deliberate cheering on the supply chain crisis.


CBS NEWS

Progressives call on Biden to replace Powell as Federal Reserve chair

BY SARAH EWALL-WICE

A group of progressive lawmakers led by Congresswoman Alexandria Ocasio-Cortez is calling on President Biden to replace Federal Reserve Chairman Jerome Powell, whose term expires early next year. The lawmakers said Powell, who has served as head of the Central Bank since 2018, has not done enough to address the risks of climate change on the financial system and has weakened regulations.

Still, the main reason why Powell stressed that there was no hurry to raise interest rates, arguing that current inflation pressures will be "temporary" when nobody believes that, he repeated the Fed's stance that "it could be appropriate to start reducing the pace of asset purchases this year." That is not likely to happen because the progressive, led by the bartending-waitress AOC, wants Powell replaced and excess QE to buy her favorite dreams without a clue as to what is really at stake. AOC's stupidity is only matched by Canada's Trudeau.

What AOC and her demands to make even money free to fall from haven without work or even identifying yourself as an American, is the same old story played out so many times with disaster. She was too busy waiting on tables to ever study history.

International Capital Flows have been around from ancient times and the crisis here is that politicians THINK they can pass some law and that the economy is somehow isolated from the world. The Democrats tried this before by overvaluing silver which had been demonetized in the rest of the world. They declared silver to be 16:1 when a simple arbitrage delivering silver into the USA and leaving with gold back to Europe at a profit.

Over time, the Silver Democrats, as they were known, virtually bankrupted the United States and J.P. Morgan came to the rescue organizing a $100 million gold loan in 1896 to prevent the United States from defaulting on its national debt. This led to the Democrats blaming Morgan and not themselves.

This net capital movement was undermining the entire foundation of economic theory that was built upon isolated domestic fundamentals. Now, fundamental changes in a distant land could spark net capital outflows and selling of domestic assets even when there was no such change whatsoever in the domestic economy. Capital moved and the idea that politicians could actively manage the economy at will by regulation and crafting Draconian laws was nothing but an illusion – a fool's dream.

The impact of net capital movement was clearly not understood by economists who were still trying to expand their own power with theories of absolute control. This was the period of rising Marxism on a global scale. Marx is responsible for almost all white-collar crimes. The politicians responded first with the Interstate Commerce Act of 1887 (ch. 104, 24 Stat. 379) regulating commerce to prevent what Marx said would happen that was not realistic.

Next came the Sherman Anti-Trust Act (Sherman Act, July 2, 1890, ch. 647, 26 Stat. 209, 15 U.S.C. §§ 1–7) that also sought to prevent the consolidation of business reducing the number of employees. The act was passed in tandem with the McKinley Tariff of 1890 trying to prevent foreign goods from becoming attractive due to currency fluctuations they did not understand.

John Sherman
(1823 –1900)

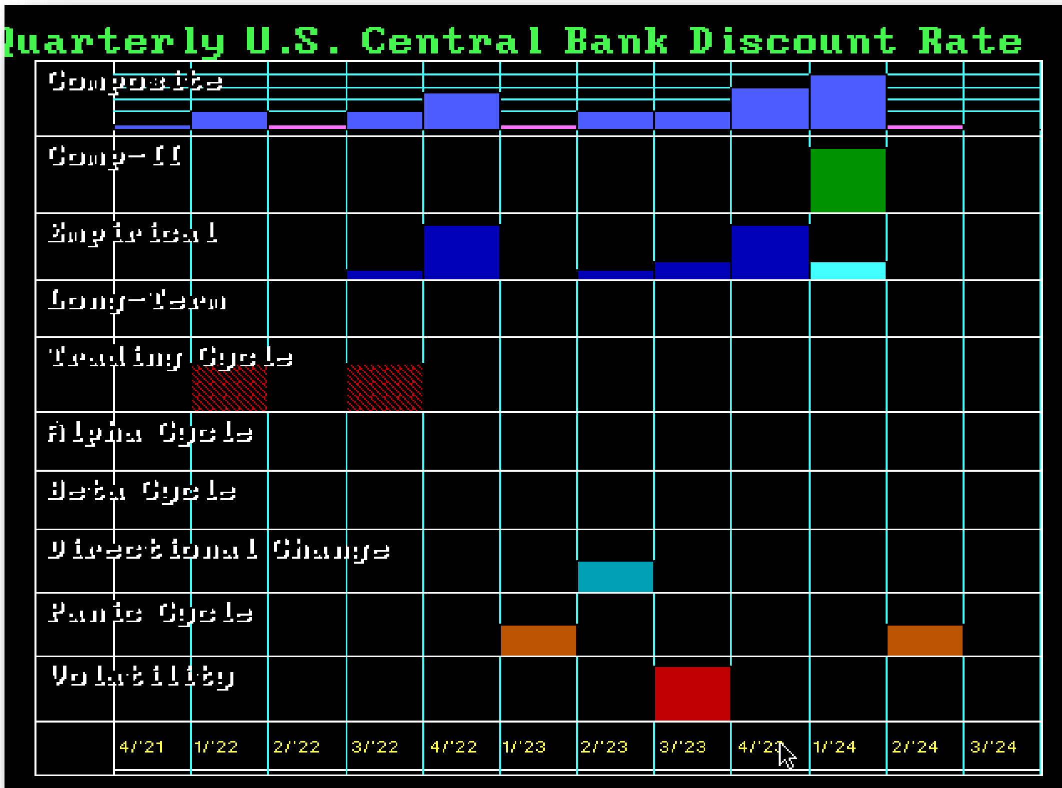
William McKinley (1843–1901), an Ohio Republican and chairman of the House Ways and Means Committee, worked with John Sherman (1823–1900), the senior Republican Senator from Ohio, to create a package that could both pass the Senate and receive the President's approval. This was immediately followed by the core legislation that set-in motion the Panic of 1893 that culminated in this Panic of 1896 – the Sherman Silver Purchase Act enacted on July 14, 1890.

Grover Cleveland (1837–1908)
only President of United States to serve two non consecutive terms (1885–1889 and 1893–1897)

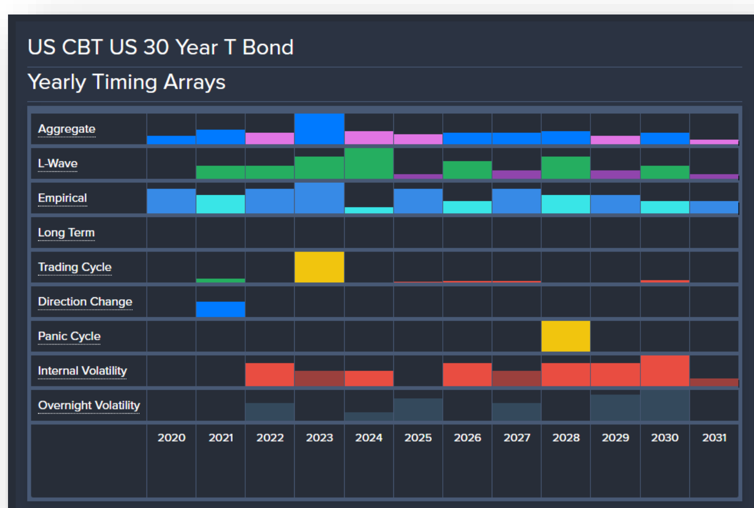
"At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner – the first to be injured by a depreciated currency – is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others nor hoard his labour."

Sherman Silver Purchase Act, 1890, passed by the U.S. Congress to supplant the Bland–Allison Act of 1878. It not only required the U.S. government to purchase nearly twice as much silver as before 4,500,000 ounces (130,000 kilograms) per month, but also added substantially to the amount of money already in circulation.

The Sherman Silver Purchase Act, named after John Sherman, was enacted in support of the advocates of the Free Silver Democrats. This Act created massive unsound finance that undermined the U.S. Treasury's gold reserves. Only after the Panic of 1893, President Grover Cleveland (1837–1908) called a special session of Congress and secured the repeal of the Act going against his own party and calling the entire silver inflation unsound finance. Well, here once again we have AOC leading the charge to once more flood the economy with endless money.

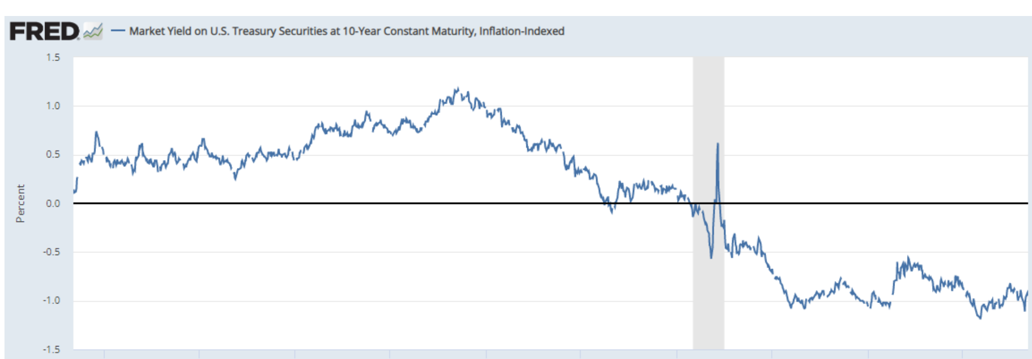


When we look at the array on a Quarterly basis, we indeed see a minor target during the 1st quarter of 2022, but the other targets are the 4th quarter 2022 during the mid-term elections followed by a Panic Cycle during the 1st quarter 2023 which agrees with our yearly model followed by a Directional Change the next quarter which appears to be setting a trend change into the 1st quarter 2024.

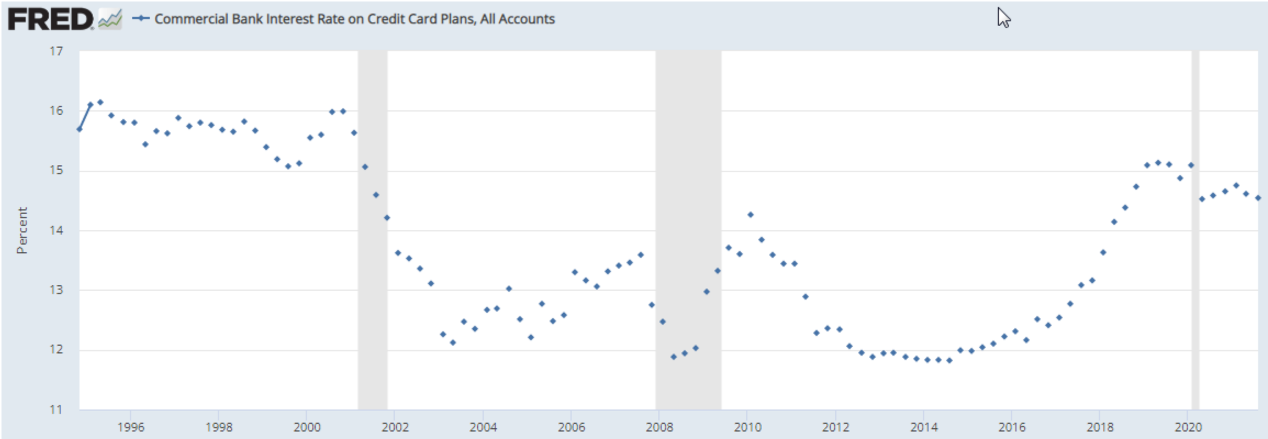


When we correlate the US 30-year bonds we see volatility rising in 2022 and building into 2030. Here the strongest turning point is 2023 and a Directional Change came here in 2021. Clearly, this does not look good for the future of the debt markets.

When we turn to the AAA Corporate bond rates, they clearly bottomed in 2020 with the Directional Change that produced an outside reversal to the downside in 2020 thanks to COVID. That was a 36 year decline intraday from the high in 1984, but it was 37 years on target from the highest annual closing in 1983 (8.6 * 4.3). The year 2021 was also the start of volatility and a Directional Change which appear to be unfolding and we may see this trend move into 2023. The real interest rates in the free market are based upon the real rates of return which the interest yield – the rate of inflation. If inflation exceeds the rate of interest, that is when we see interest rates rise to try to compete with the free market. The bonds indexed to inflation have fallen as the inflation fell into stagflation/deflation.



Official v Private Interest Rates



Despite the decline in interest rates at the Federal Reserve, we can see that interest rates charges on credit cards has soared since 2014 when the ECB took rates negative in Europe. So, when someone says of you are wrong, interest rates have declined, you need to point them to the private sector.

Interest rates in the real world have been rising since 2014 and as real inflation rises, we can expect to see rates credit card rates jump to 20% from the current level of 14.5% once it exceeds 16%.

When we look at the German Long Bund, we see back-to-back Directional Changes in 2020 and 2021 with the current year retesting support. There appears to be a big turning point arriving in 2023 which is also a Panic Cycle. There will be sharply rising volatility post-2024 going into 2029.

Once again, it appears that this entire 2022/2023 period will be very important on a global scale. Politicians may become desperate and try to force their way through with this Great Reset while they have Biden is place who will sign anything that Klaus Schwab manages to stick before him.

The Socrates Generated Commentary

CBT US 30 YR T BONDS

The historical perspective in the CBT US 30-Year T Bonds included a rally from 2004 moving into a major high for 2020, the market has pulled back for the current year. The last Yearly Reversal to be elected was a Bullish at the close of 2020. However, the market has been unable to exceed that level intraday since then. This overall rally has been 2 years in the making.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a bullish trend since the major low took place back in 1814 with the high forming during 2020 amounting to a 199-year bull market. Obviously, this is a very extended bull market. The more recent low took place during 1981 which has been a 39-year bull market. Following that high, the market has consolidated since then. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2020.

The last major low took place during 2000 which was 21 years ago. There is a very good probability that the major high is in place as of last year at 191690 and thus far the market has also penetrated last year's low. If we this year closes below 155160 then we should be entering a bear market.

YEARLY ANALYSIS PERSPECTIVE

On the yearly level in CBT US 30 Yr T Bonds, the last important high was established during 2020 at 191690, which was up 16 years from the low made back during 2004 at 102880.

Currently, the market is trading neutral within last year's trading range of 191690 to 155160. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 152910.

Examining the yearly time level, we can now see that there is a 623.0% risk on the upside, where we show a clear downside risk factor at 9.02%. From a risk perspective, resistance on a closing basis stands at 100015970 whereas the risk on the downside begins at 145809.

YEARLY TECHNICAL ANALYSIS

2021/01/01...	65264	111426	127876	161040	240511
2022/01/01...	65107	112833	129727	157780	244370
2023/01/01...	64950	114240	131578	154520	248228
2024/01/01...	64794	115646	133430	151260	252086
2025/01/01...	64637	117053	135281	148000	255945
2026/01/01...	64480	118460	137132	144740	259803
2027/01/01...	64324	119866	138983	141480	263661

YEARLY TIMING ANALYSIS

Probing into the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2021, 2023, 2025, 2028 and 2031. Centering on the patterns unfolding, we do see a prospect of a decline moving into 2021 with the opposite trend thereafter into 2023. This pattern becomes a possibility if last year's low of 155160 is penetrated even intraday or the market closes below last year's close of 172970. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

YEARLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model target is during 2021. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

YEARLY VOLATILITY

Exploring the volatility models suggest we should see a rise in price movement during January 2026. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

THE BROADER LONGER-TERM VIEW

Discernably, the far-reaching prospective view recognizes that the current bearish progression in CBT US 30 Yr T Bonds reflects only a temporary reaction within a broader bull market trend since we have not elected any Yearly sell signals on our model. Furthermore, the CBT US 30 Yr T Bonds remains somewhat neutral at this present moment trading within last year's range of 191690 and 155160. We are trading below last year's high of 191690 at this time.

INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the CBT US 30 Yr T Bonds, this market remains in a bullish position at this time with the underlying support beginning at 166840.

Yearly Indicating Ranges

Immediate Trend .... bullish
Short-Term Momentum ...... bullish
Short-Term Trend .... bullish
Intermediate Momentum .... bullish
Intermedia Trend .... bullish
Long-Term Trend .... bullish
Cyclical Strength .... bullish
Broadest Trend .... bullish

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 172970

Envelope Top... 186998
Internal AvgL.. 145618
Internal AvgH.. 166089
Envelope Btm... 100870

STOCHASTICS

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, Immediately, our model continues to rally suggesting that a strong rally is likely.

REVERSAL COMMENTARY

Utilizing our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 153070 holds. These Tentative Hypothetical Bullish Reversals would stand at 122130, 139590, 158290, and 167570, whereas a close above the previous high 191690 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2020 HIGH:

Sun. 01/01/2023
Wed. 01/01/2025
Sat. 01/01/2028
Sat. 01/01/2033
Tue. 01/01/2041
Thu. 01/01/2054
Tue. 01/01/2075
Wed. 01/01/2109
Mon. 01/01/2164

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 191690

23% | 146451
38% | 118464
61% | 73226
78% | 41022

Fibonacci Percentage Golden Ratio Movements:

3% | 2023/01/01
5% | 2025/01/01
8% | 2028/01/01
13% | 2033/01/01
21% | 2041/01/01
34% | 2054/01/01
55% | 2075/01/01
89% | 2109/01/01

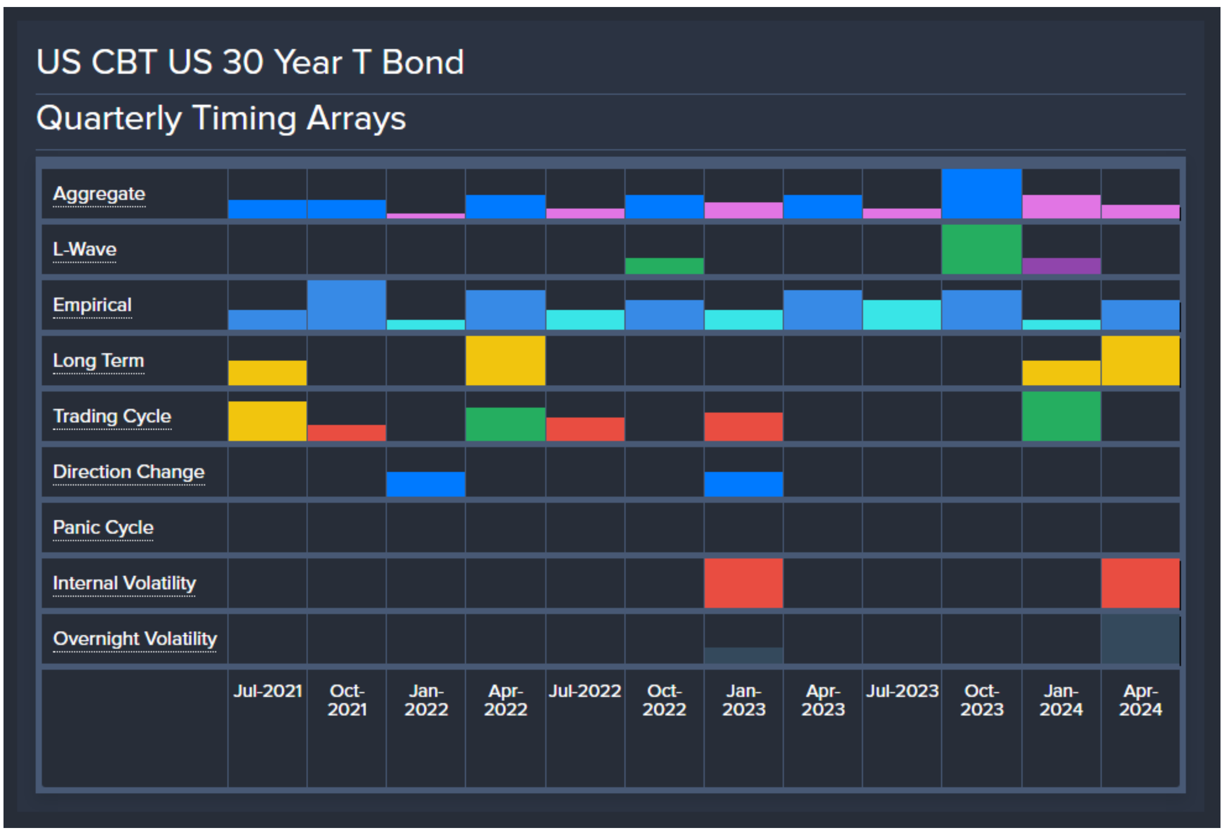
ECONOMIC CONFIDENCE MODEL CORRELATION

Here in CBT US 30 Yr T Bonds, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2018 and 2013 and 2009 and 2000 and 1994. The Last turning point on the ECM cycle high to line up with this market was 2020 and 1998.

YEARLY CURRENCY CORRELATION

The CBT US 30 Yr T Bonds did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has been neutral while in nominal terms, it has declined. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the Second Quarter 2019 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 146001. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

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In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

This market is neutral for now on all our monthly indicators. We can see this market has been down for the past month. The previous high made during July on the Monthly level at 167040 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 153070 made during March on the Monthly level has held and only a break of 158220 on a closing basis would warn of a technical near-term change in trend. However, we still remain above key support 154200 on a closing basis.

MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December, February 2022 and May 2022. Centering on the patterns unfolding, I do see a prospect of a decline moving into December with the opposite trend thereafter into February 2022. Looking ahead at December, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model target is during 2021. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

Regarding the volatility models suggest we should see a rise in price movement during January 2026. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 167041. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 184001.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 156079. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 154199.

HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since March on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 167041. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are all in a bullish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a breakout mode suggesting we may see a rally unfold.

On the Monthly Level, regarding the timing, there was a reasonable potential of a low moving into October with the opposite trend implied thereafter into November which is also a Panic Cycle and a Directional Change (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is October for a turning point ahead, at least on a closing basis. We have overall 2 Monthly Directional Change targets ahead which align with a main turning points on the top line of the Array. Therefore, the targets of February 2022 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of November. This accentuates the importance of this target as an event on the horizon. It does appear we have a choppy period starting October until March 2022, but while we have a target arriving also on December, the key target remains October with each target producing the opposite direction for that 6-month period. We have overall 2 Monthly Directional Change targets ahead which align with a main turning points on the top line of the Array. Therefore, the targets of February 2022 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of November. This accentuates the importance of this target as an event on the horizon. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level
<u>Indicator Description... Trend</u>

Immediate Trend .... – Neutral –
Short-Term Momentum .... – Neutral –
Short-Term Trend .... BULLISH
Intermediate Momentum ..... BULLISH
Intermediate Trend .... (Bearish)
Long-Term Trend .... – Neutral –
Cyclical Strength.......... – Neutral –
Broader Trend .... BULLISH
Long-Term Cyclical Trend .. BULLISH

MONTHLY CURRENCY CORRELATION

The CBT US 30 Yr T Bonds did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 03/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 08/01, and a high in the Chinese yuan was 08/01.

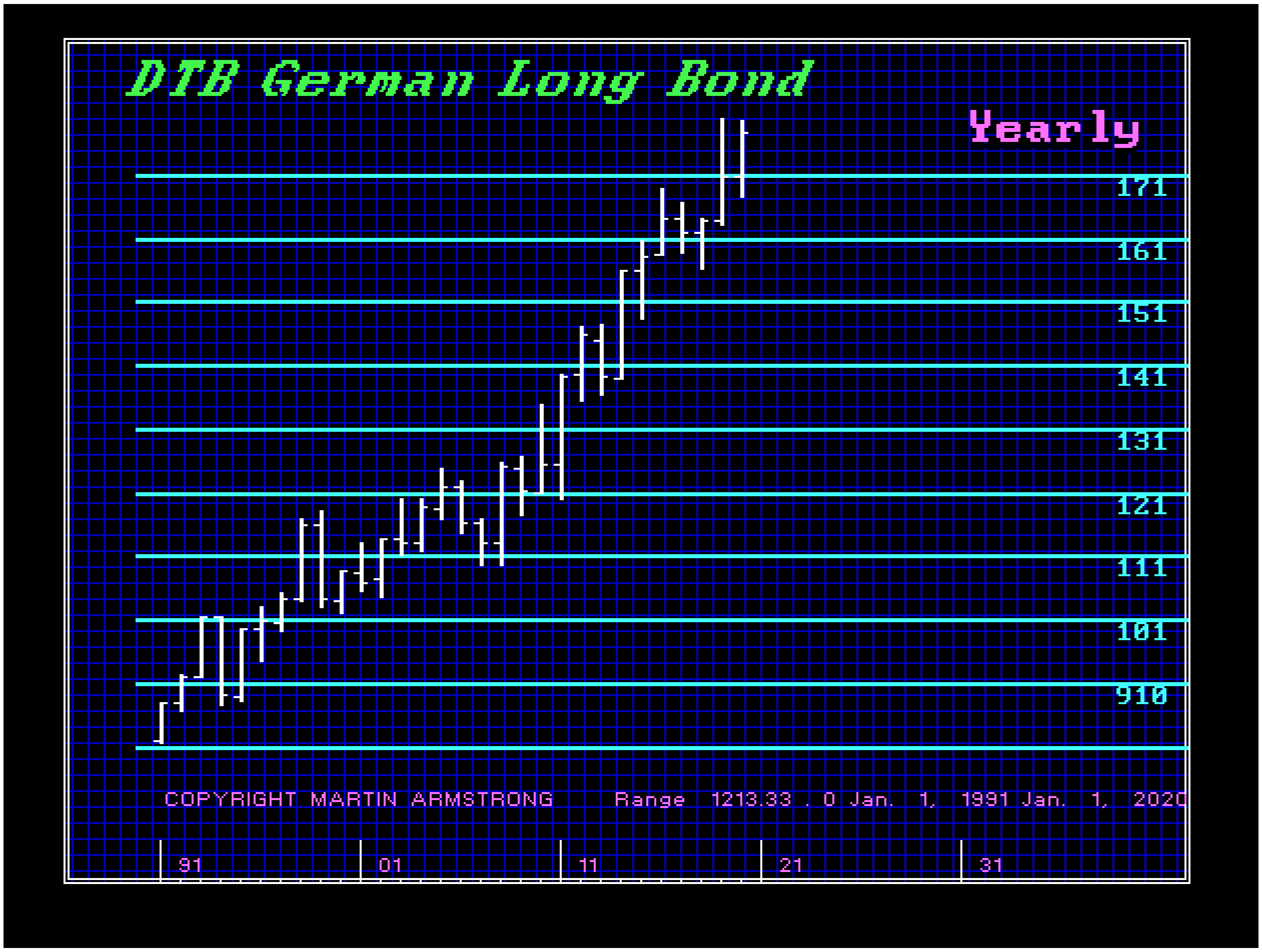
In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 03/01 after the high in terms of a basket of currencies which came on 08/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

CBT US 30 Yr T Bonds Risk Table

-------------------	UPSIDE RISK ------		DOWNSIDE RISK ---	
MONTHLY.......	167041 |	4.224% |	156079 |	2.614% |
QUARTERLY.....	165221 |	3.089% |	146001 |	8.903% |
YEARLY........	100015970 |	62304% |	145809 |	9.022% |

GERMAN LONG BUND



The historical perspective in the German Long Bund included a rally from 2000 moving into a major high for 2019, the market has been consolidating since the major high with the last significant reaction low established back in 2000. The market is still holding above last year's low but is trading rather weak at this moment. The last Yearly Reversal to be elected was a Bullish at the close of 2020. However, the market has been unable to exceed that level intraday since then. Nonetheless, the market has rebound quite strong and is trading within 1% of the previous high. This overall rally has been 2 years in the making.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 1994, there have been 2 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 2000 with the high forming during 2019. This decline has thus been-19 year. We are currently trading neutral within the yearly range of 17967 to 16306 but more so on the weaker side. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2019.

The last major low took place during 1994 which was 27 years ago. However, the last near-term low took place just 3 years ago in 2018. At this moment, so far this has been an inside trading year which failed to exceed the last year's high or penetrate the last year's low. This market must hold last year's low of 16752 in order to remain in a bullish position that would allow it to move further upward beyond this current year.

YEARLY ANALYSIS PERSPECTIVE

On the yearly level in German Long Bund, the last important high was established during 2019 at 17967, which was up 19 years from the low made back during 2000 at 10185. However, the highest closing was during 2020 at 17764 whereas the intraday high formed in 2019.

Currently, the market is trading neutral within last year's trading range of 17931 to 16752. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 16415.

Examining the yearly time level, we can now see that there is a 5.74% risk on the upside, where we also show a clear downside risk factor at 5.90%. From a risk perspective, resistance on a closing basis stands at 17778 whereas the risk on the downside begins at 15820.

YEARLY TECHNICAL ANALYSIS

2021/01/01...	15389	17180	18383	18631
2022/01/01...	15729	17699	18682	19098
2023/01/01...	16070	18219	18981	19566
2024/01/01...	16410	18738	19281	20033
2025/01/01...	16750	19258	19580	20500
2026/01/01...	17091	19777	19880	20968
2027/01/01...	17431	20296	20179	21435

THE BROADER LONGER-TERM VIEW

Diagnostically, the wide-ranging prospective view recognizes that the current bearish progression in German Long Bund reflects only a temporary reaction within a broader bull market trend since we have not elected any Yearly sell signals on our model. Furthermore, the German Long Bund remains somewhat neutral at this present moment trading within last year's range of 17931 and 16752. We are trading below last year's high of 17931 at this time.

INDICATING RANGE STUDY

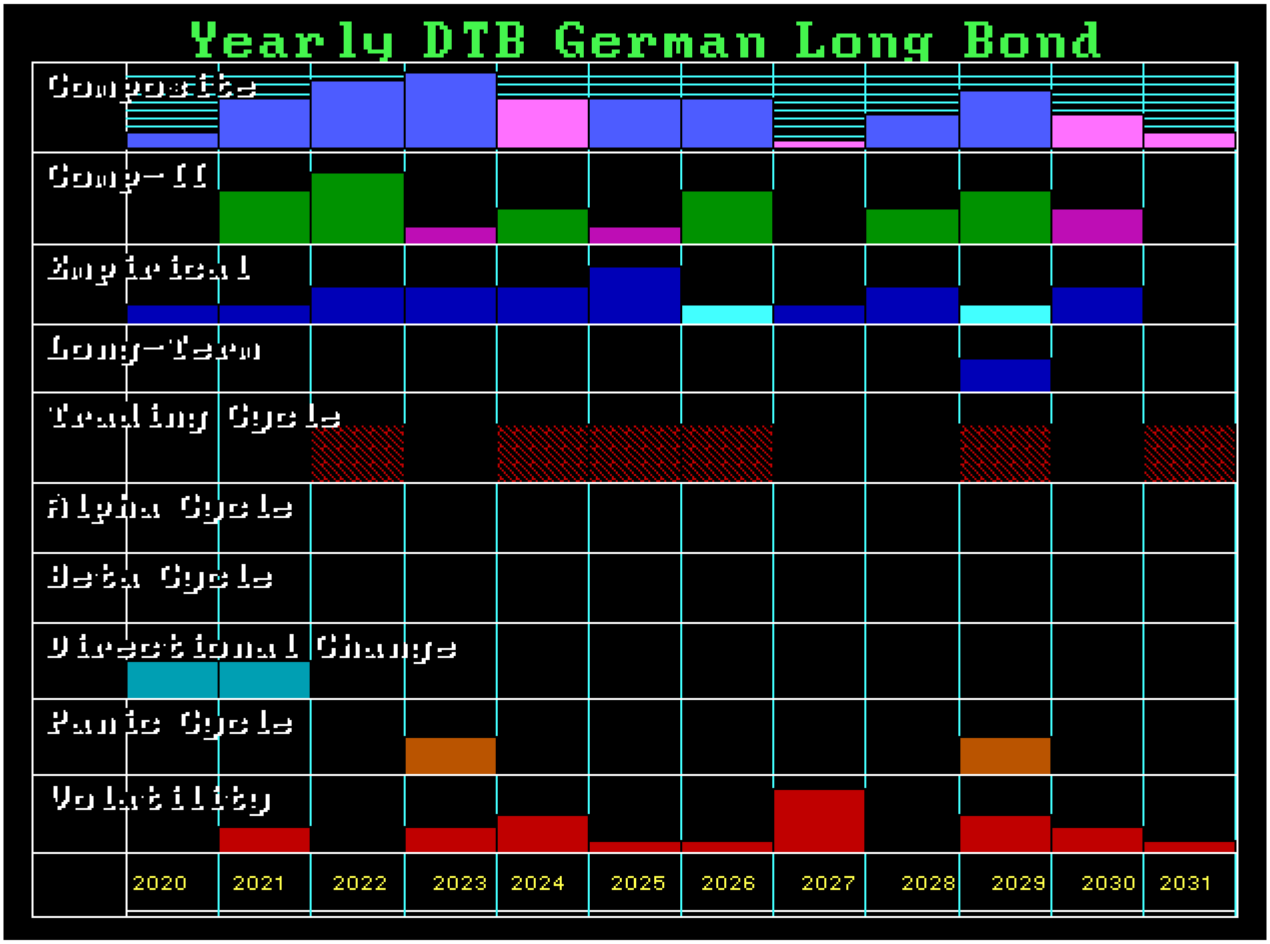
Focusing on our perspective using the indicating ranges on the Yearly level in the German Long Bund, this market remains in a bullish position at this time with the underlying support beginning at 16640.

<u>Yearly Indicating Ranges</u>

Immediate Trend .... neutral
Short-Term Momentum ...... bullish
Short-Term Trend .... bullish
Intermediate Momentum .... bullish
Intermedia Trend .... bullish
Long-Term Trend .... bullish
Cyclical Strength .... neutral

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 17764
Envelope Top... 17221
Internal AvgL.. 16077
Internal AvgH.. 16786
Envelope Btm... 12725



STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, Immediately, our model continues to rally suggesting that a strong rally is likely.

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2019 HIGH:

Sat. 01/01/2022
Mon. 01/01/2024
Fri. 01/01/2027
Thu. 01/01/2032
Sun. 01/01/2040
Wed. 01/01/2053
Mon. 01/01/2074
Mon. 01/01/2108
Sun. 01/01/2163

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 17967

23% | 13727
38% | 11104
61% | 6863
78% | 3845

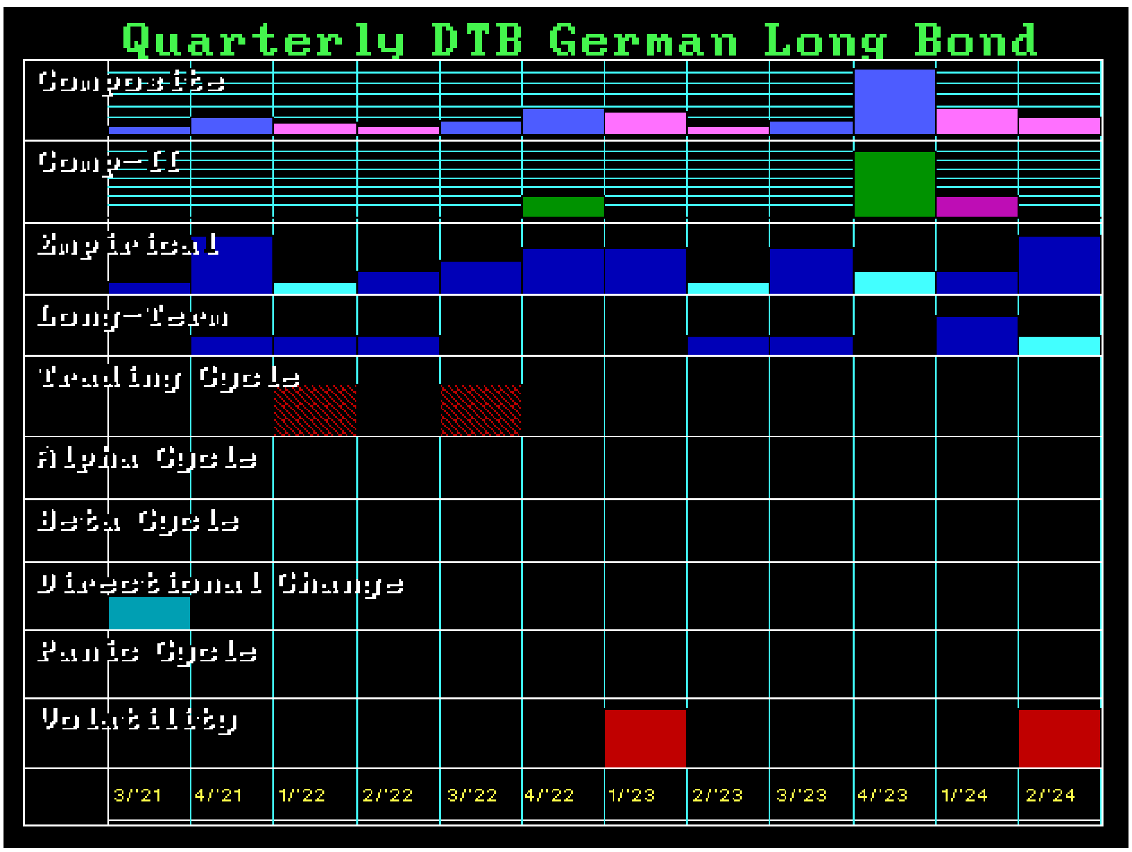
Fibonacci Percentage Golden Ratio Movements:

3% | 2022/01/01
5% | 2024/01/01
8% | 2027/01/01

13% | 2032/01/01
21% | 2040/01/01
34% | 2053/01/01
55% | 2074/01/01
89% | 2108/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in German Long Bund, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2018 and 2000 and 1994. The Last turning point on the ECM cycle high to line up with this market was 2005.



QUARTERLY ANALYSIS PERSPECTIVE

HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently short since during the Third Quarter 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis below the next Bullish Reversal on this level 17880. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY CURRENCY CORRELATION

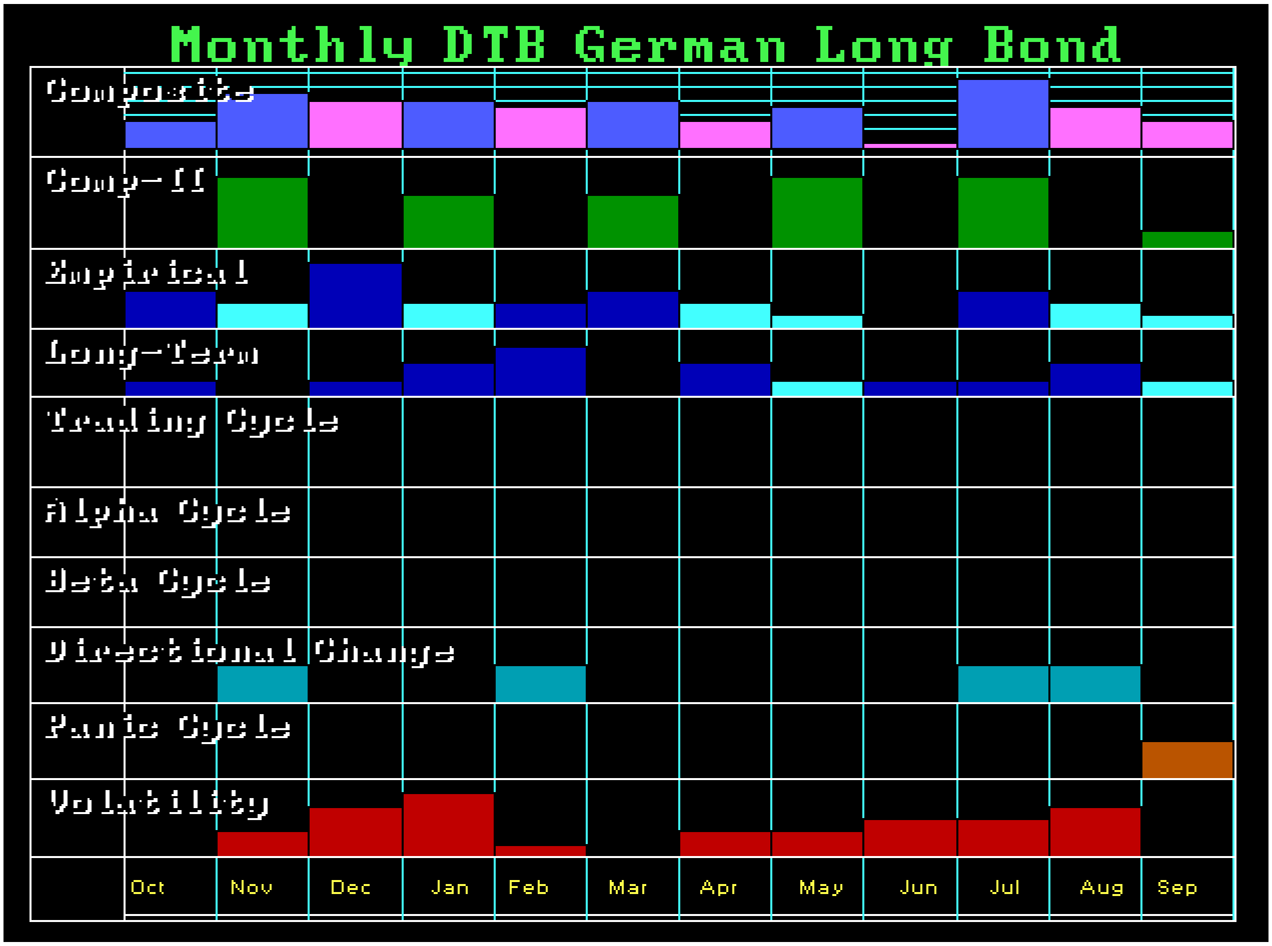
The German Long Bund did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 07/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has been neutral while in nominal terms, it has rallied. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 07/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during August on the Monthly level at 17761 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 15622 made during March 2018 on the Monthly level. We have generated a sell signal, so some caution is required.



MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, January 2022, March 2022 and May 2022, July 2022. Centering on the patterns unfolding, I do see a prospect of a decline moving into November with the opposite trend thereafter into January 2022. If the November high holds, then a decline into the next turning point may materialize. Otherwise, anticipate a rally into the next target should be expected if we make new highs.

MONTHLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model target is during 2021. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

Bearing in mind the volatility models suggest we should see a rise in price movement during January 2024. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

Nonetheless, our Panic Cycle targets for the period ahead to watch are during 2023 and during 2029. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 17750. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 17880.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 16470. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 16330.

HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since September on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 17750. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Monthly Level, our first target for a turning point is November, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead with the opposite trend implied thereafter into January 2022 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is July 2022 for a turning point ahead, at least on a closing basis. There are 4 Monthly Directional Change targets starting from November to August 2022 warning of a potential choppy swing period for these few Months. It does appear we have a choppy period starting October until November with each target producing the opposite direction for that 2-month period. Thereafter, we see the next target coming into play as January 2022 until July 2022 with again each target producing the opposite direction for that 7-month period.

However, the important target during that period will be July 2022. Still, when we look at the next higher time level, we see that a low formed during Quarterly. There are 4 Monthly Directional Change targets starting from November to August 2022 warning of a potential choppy swing period for these few Months. Don't forget, a

Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level

Indicator Description...	**Trend**
Immediate Trend	(Bearish)
Short-Term Momentum	(Bearish)
Short-Term Trend	(Bearish)
Intermediate Momentum	(Bearish)
Intermediate Trend	(Bearish)
Long-Term Trend	(Bearish)
Cyclical Strength..........	(Bearish)
Broader Trend	BULLISH
Long-Term Cyclical Trend ..	BULLISH

MONTHLY CURRENCY CORRELATION

The German Long Bund did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 09/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 08/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 09/01 after the high in terms of a basket of currencies which came on 08/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

German Long Bund Risk Table

------------------	UPSIDE RISK ------		DOWNSIDE RISK ---	
MONTHLY.......	17750	5.579%	16470	2.034%
QUARTERLY.....	17880	6.352%	16740	0.428%
YEARLY........	17778	5.745%	15820	5.9%