

US 10-YEAR YIELD (3.81%) — ABOUT TO BREAK UP

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In December 2022, we showed a triangle between 4.33% and 3.40% for the coming months on a weekly US 10-year yield chart. The triangle on the weekly chart is smaller in size, limited to 3.25% on the downside and 3.85% on the upside. The US 10-year yield broke last week above the Ichimoku Cloud (3.69%) and is testing the descending trendline from November 2022.

On the Lower Panel, along the rising STO and crossing-up MACD, the US 10-year yield is likely to break above the descending trendline and above the upper weekly Bollinger Band (3.95%) to rise toward 4.09 then 4.33 former highs and reach later

a target near 5.43%. On the upper panel, the 10-year spread minus 1-year yield (solid black line) remains in a slow downtrend well below zero, and the US\$ Index (dotted brown line) is already rebounding with strength, which may reflect strong demand for US short-term maturity bonds.

The speed of the forthcoming rise will need to be monitored as a rapid rise may disturb the valuation of the few remaining high-flying Technology stocks. These stocks are holding up the Nasdaq 100 and the S&P500 indices. But we may review that effect next month. Of course, such a scenario would not be validated by a decline below 3.44%.

US 10-Year Yield in Weekly Candlesticks with 20-wk MA surrounded by 2 Bollinger Bands. Also shown are the Ichimoku Cloud, which offered support near 3.25% in March, and the still-rising 40-wk MA MA (3.64%).

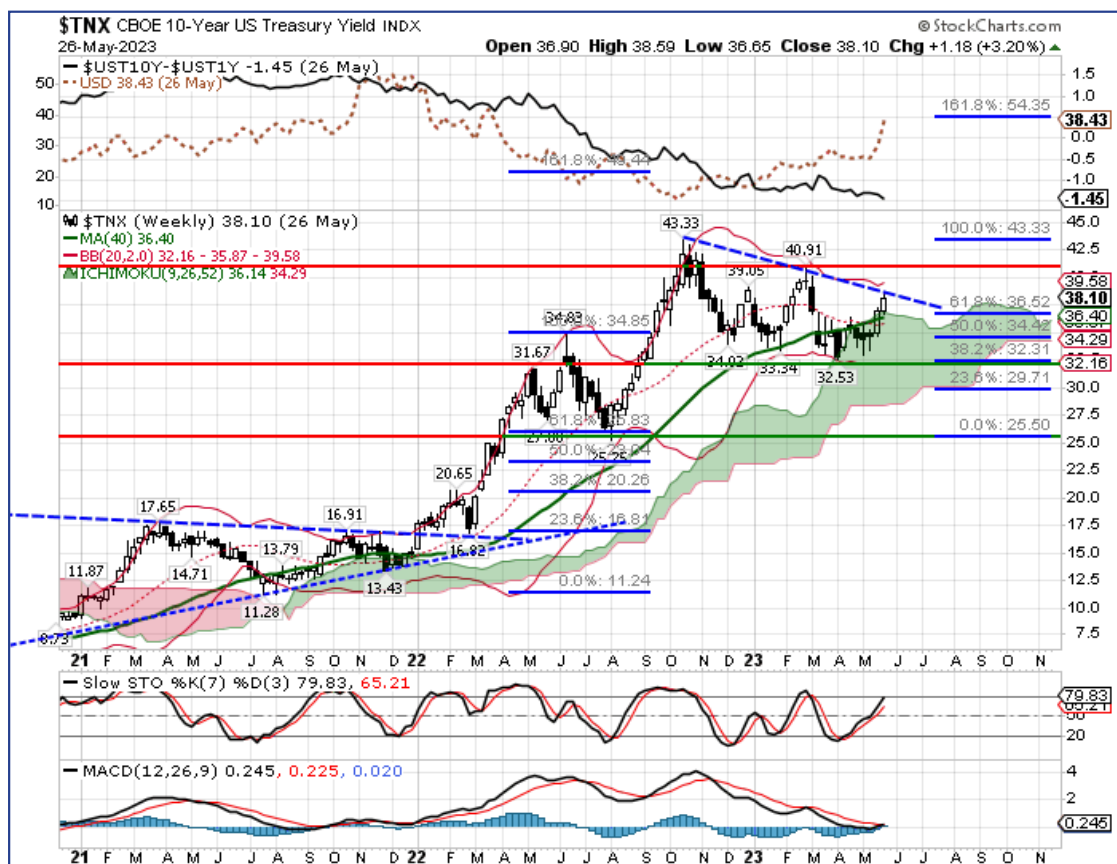
Upper Panel: US 10-year yield minus the 1-year yield spread (solid black line, well below zero) and the US\$ Index (brown dotted line).

Lower Panel: is the Slow Stochastic momentum indicator (which is rising, but not yet overbought at 79%); and the MACD crossing up just above zero.

Source of data:

Stockcharts.com.

Supports line & parameters are provided by BEST.



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