

Notes From The Rabbit Hole

eResearch Corporation is pleased to provide an article, courtesy of NFTRH.com, and written by Gary Tanashian, with a bio on the Author provided at the end of the article.

The article, starting on the next page, is entitled: **Comparing Short-Term Yields**

Biiwii.com was created in mid-2000 solely as a way to help get the message out about deeply-rooted problems about too much debt and leverage within the financial system. The concerns were confirmed and the message proved justified 3 to 4 years later as the system began to purge these distortions, resulting in a climactic washout extending from October, 2008 to March, 2009.

Along the way, a geek-like interest in technical analysis, a long-time interest in human psychology, and various unique macro market ratio indicators were added to the mix, with the result being a financial market newsletter (and dynamic interim updates), Notes From The Rabbit Hole (NFTRH) that combines these attributes to provide a service that is engaged and successful in all market environments by employing risk management first, and opportunity for speculation second.

But It Is What It Is: You can access Biiwii at its website: www.biiwii.com.

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Bob Weir, CFA
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2-Yr Yield & 3-Mo T-Bill Yield Report 'Still Bullish'

By **Gary Tanashian** (bio at the end of the article)

November 6, 2018

In [the previous post](#) we illustrated a measure of extreme stock market over valuation in comparing the dividend yield of the S&P 500 to that of the 10yr Treasury Note. That is a bearish fundamental condition, but with no sense of timing.

A still-bullish macro-technical (did I just invent a term?) condition is that the 3-month Treasury Bill yield (a proxy for the Fed Funds Rate), while rising firmly, has still not been negatively diverged by the 2-year Treasury yield, which is also still rising firmly. Not coincidentally, this has kept the yield curve (another potentially adversarial indicator for stocks) in its long-term flattening trend.

There is always the chance that historical analogs can be broken, but it is a fact that the 2000 and the 2007 stock market tops were attended by a divergence by the 2-year to the T-Bill and that condition is, at 10:02 US Eastern time on November 6th... not currently in place.

Caveat to bulls: Man, that 2000 situation turned on a dime with little warning.

See the chart on the following page.



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As an aside, looking at the S&P 500 shaded in the background, the spiky thing happening now coming after its massive ramp up does look like a top when compared to the last 2 major market tops. The 'area' (as opposed to candlestick) view of SPX really helps make that point.

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Biiwii.com is proud to be included in the **50 Blogs Every Serious Trader Should Read** from [TraderHQ.com](#).

See **ABOUT THE AUTHOR** on the following page



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ABOUT THE AUTHOR



Gary Tanashian is a financial market analyst, writer, and editor. He provides “Accurate financial market analysis and commentary focused on unbiased reality as opposed to preconceived assumptions.”

As a long-time participant in financial media (published at leading outlets like SeekingAlpha, Investing.com, and many more), Gary has learned how to communicate with people about often-complex material. He knows that it requires hard work, but he believes that there is no other way in order to provide the highest quality service to the public.

Gary is the owner of Biiwii.com (launched in 2004) and, later, NFTRH.com (launched in 2014).

Biiwii is a financial website that got it RIGHT in the run up to 2008, unlike many in the financial services industry.

He is the owner and publisher of the weekly premium financial market report Notes From The Rabbit Hole, which was launched in September, 2008.

Notes From The Rabbit Hole is a premium newsletter service (including detailed in-week updates) for people who care more about financial market realities than having their preconceived notions reinforced. <http://nftrh.com/nftrh-premium/>

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