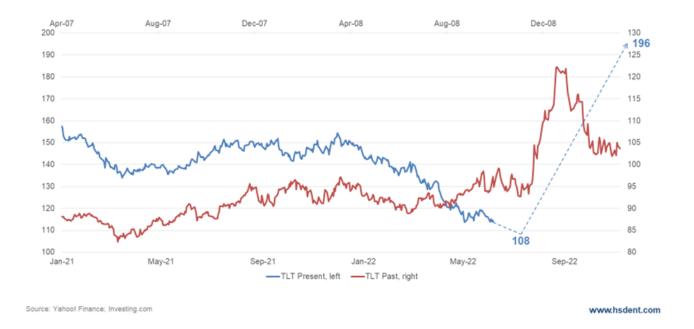


Note: This Harry's Take is an important update for subscribers.

Why TLT Is Worth Waiting For: Greatest Rally Ever Is Likely Ahead

I have been arguing with the gold bugs for years that longer-term, 10-year—or even better, 30-year—U.S. Treasury bonds, along with ETFs, TLT, and ZROZ, are the ultimate safe havens... NOT gold. The 2008 crash already proved that conclusively, and the present crash will just be a bigger, deeper version of that. It also will be the last crash before we enter a new bull market based on the spending patterns of the Millennials from around early 2024 into 2037.

TLT Jan 2021-Present vs. April 2007-March 2009: Big Spike Still Ahead



This chart shows how TLT rose, starting 4 months before the 2007 stock top, and then spiked into the worst of the crisis in November and December 2008, about 3 months before the stock bottom in March 2009. This time, the inflation created from the Fed grossly overreacting to COVID has caused TLT to pull back longer before the economy goes into a clear recession and spikes (from falling rates) even more this time.

I did not expect TLT to pull back this much before seeing its bigger rally and spike, but that just creates a more dramatic scenario ahead, as is shown in this chart. We could see a low around 108 just ahead, just below the recent low of 109.24, and then an 81%+ rally to the top trend line here around 196 at the end of 2023, when I think we will be at the worst of this financial crisis.

TLT May Now Be Approaching Major Low Before Greatest Rally Ever!



And note this: I have sensed that some of my subscribers are seeing a TLT or ZROZ investment as a long-term play... It is NOT! It is just for the worst of the crash, and the TLT run is likely to peak a bit before stocks bottom, somewhere between late 2023 and early 2024. That's why I am projecting 196 around the end of 2023. If this major rally plays out, we can judge when to sell once it tests the top trend line, which is far away from its near bottom here. Stocks will be the big play for the next boom, and Treasury bonds will underperform once mild inflation is the trend again.

TLT at near 108, or ZROZ for more leverage, is the ultimate buy signal (and continued hold) at this point in the crash of our lifetimes, which is continuing to play out as forecast, just with a little delay on the TLT rally and spike. My final sell signal for stocks on December 8, reiterated just before Christmas, has been working very well.

We have clearly now entered into the fifth wave down of just the first wave of the major stock crash that I continue to predict is most likely to bottom around mid-July. The whole move should be down 86% or so between late 2023 and early 2024 or so. But in the near term, the Nasdaq could go as low

as 10,000 on this move and be near that ideal 40% first crash. The only variance this time is that it looks like it will take just over 6 months instead of the customary 1.9 to 4.3 months.

I will keep you updated as to when this first wave looks like it is bottoming, and then we will get a second wave bounce into August or September before the next serious downward wave sets in.

Harry

Got a question or comment? You can contact us at info@hsdent.com.