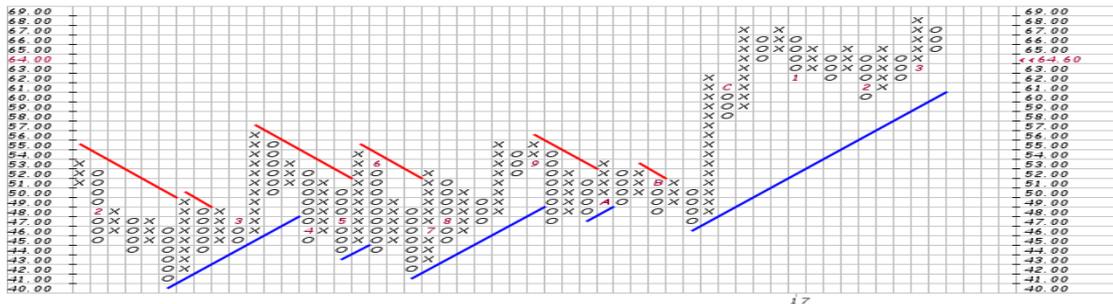


Starboard Weekly Report Ending March 17, 2017 Charts of the Week

\$FVX:\$TYX CBOE 5-Year US Treasury Yield/CBOE 30-Year US Treasury Yield INDX
17-Mar-2017, 12:10 ET, daily, O: 65.541, H: 65.862, L: 64.414, C: 64.607, Chg: -0.145 (-0.22%)

Scaling: Traditional [Reversal: 3]

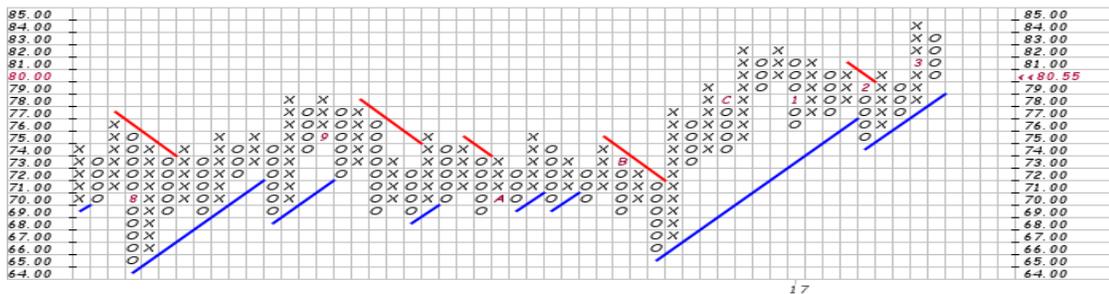
(c) StockCharts.com



\$FVX:\$TNX CBOE 5-Year US Treasury Yield/CBOE 10-Year US Treasury Yield INDX
17-Mar-2017, 12:16 ET, daily, O: 81.513, H: 81.913, L: 80.112, C: 80.552, Chg: +0.061 (0.08%)

Scaling: Traditional [Reversal: 3]

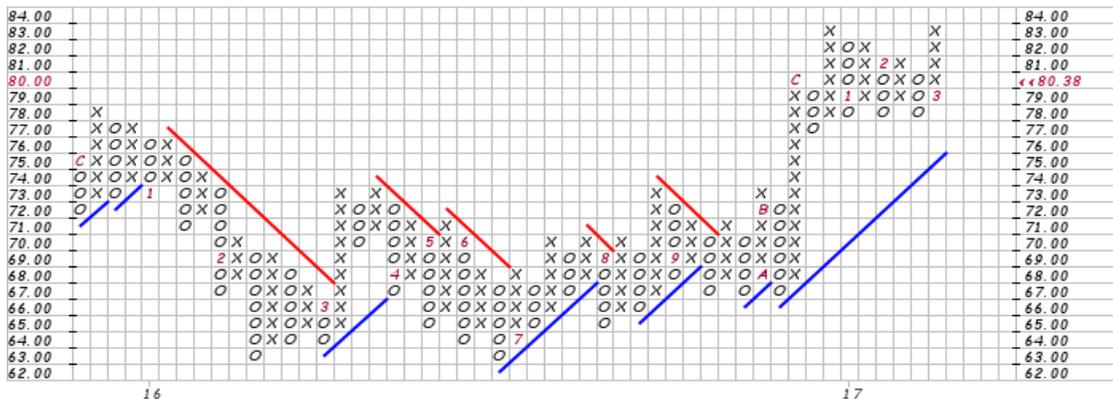
(c) StockCharts.com



\$TNX:\$TYX CBOE 10-Year US Treasury Yield/CBOE 30-Year US Treasury Yield INDX
17-Mar-2017, 12:18 ET, daily, O: 81.119, H: 81.409, L: 80.09, C: 80.38, Chg: -0.067 (-0.08%)

Scaling: Traditional [Reversal: 3]

(c) StockCharts.com



The top two point and figure charts represent the relative strength relation of the 5 year US Treasury Bond (FVX) to the 10 year (TNX) and the 30 year Treasury(TYX). The bottom chart relates to the relative strength of TNX to the TYX. All charts provided by StockCharts.com.

TECHNICAL

Following the analysis of today's 3 charts will be a bit like the old circus trick of guessing which cup the bean is under. The first two point and figure charts clearly show the FNV breaking out from the TNX (1st chart) as well as the TYX (2nd chart). This surge occurred this week after the FED raised the short-term FED funds rate. The bean however is the TNX and the prize will be presented as it surges above the TYX at 84 (bottom chart). This study is not showing price comparison. It is depicting the price momentum relationship by dividing prices into one another and charting the quotient. In my view, when the quotient of 84 is made, then we will likely see the end of a thirty-five year bond bull market. Last July's low in yield could mark the bottom point of this incredibly long bull market in bonds. In all three charts please note the double bottom in yield which took place in February and July. This is often the telltale sign of a technical bottoming process. It is my intention to buy the TNX on a breakout or on a consolidation in price from the current overbought level.

FUNDAMENTAL

The game changing event on these charts was clearly Trump's election shown by the column of X's with a C at the top. The C in point and figure chart timing is the month of December. Rates have been totally regulated by the FED during the governmental economically controlled period of the past 8 years. The FVX is telling us that the economy is in a less controlled private mode where markets dictate rates rather than our government doing it. Other than the lifting of government bureaucratic restrictions, we can only hope that further shift in political policy will allow rates to seek a normal supply demand momentum. We have to be careful how much shift we get because of interest payments on our multi-trillion dollar deficit. If America gets to be too great too quick, then we could have some serious budgetary problems that could stymie any recovery.

ASIDE

"Bottoms in the investment world don't end with four-year lows; they end with 10 or 15-year lows." Jim Rogers (renowned hedge fund investor)

Sorry Jim but this one has taken 35 years to end and it just may take longer if we do not get the breakout that I expect.

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