



# Technical Update

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**Rate rally.** Interest rates have moved up over the past six months and with that comes expectations by some of potential inflation pressures as the economy recovers from the pandemic weakness. But what may appear to be a large move higher in rates over the short term still appears to be a bounce in the long-term trend that has been in decline for more than 25 years. The recent rally in yields has brought the 10-year Treasury note yield up to a resistance area around 1.4% that was also an area of previous lows in 2012 and 2016 and more briefly in 2019 where a leveling off could be expected. However, a clear breakout above this level of 1.5% or more would be a technical indication that a further rise to the long-term declining trendline that cuts through at around 2.5% would be possible. The next month or two could prove to be interesting.



Chart courtesy Stockcharts.com and RBC Wealth Management

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