

# SPECIAL REPORT

- I have sent a lot of updates lately as I believe we are at levels that will formulate 2 to 3 year opportunities.
- I have also had numerous discussions about these opportunities and many agree something BIG is looming. They personally are struggling with the catalyst.
- Hopefully a more simplified selection of the RARE CHART DISLOCATIONS will help portray the TECHNICAL opportunities.
- I will be more than happy to discuss and ways to implement the VIEWS.
- Whilst compiling this I noticed the relevance of 200 period MOVING AVERAGE on monthly horizons.

# BOND MARKETS

- The US is the **PROMINENT** set of charts in this space with 5yr and Curves taking precedent.
- US 5yr yield expectations are historically stretched. **NUMEROUS** times we have seen yields **DROP** from this RSI dislocation!
- US curves are basing for a **MAJOR** steepening that could last for many years.

US 5yr quarterly : This HIGHLIGHTS the numerous occasions where previous expectations have led to disappointment. This is the highest RSI since 1984!



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US 5yr monthly : Even this monthly portrays a similar OVER EXPECTATION. The channel is helping but the RSI is a KEY element as can easily be seen. History can repeat itself.



US 5yr monthly : I don't normally use MOVING AVERAGES but a series of coincidences occurred when looking at the monthly horizons using a 200 period.



US 5yr weekly : Yet another chart complimenting the HISTORICAL overstretch. This dislocation is significant as it has FILTERED down from the quarterly to monthly to this weekly, some thing is OUT OF KILTER.



USGG10YR quarterly : Yet another example of US over expectation. The RSI is the highest since 1984! The remaining overboughts have led to lower yields.



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# US CURVES

- **US curves have been a great flattening trade for many but that CYCLE looks about to change and I suggest it coincides nicely with the 5yr EXTREME.**
- **So many of the charts portray an oversold scenario and a TARGET 61.8% ret to breach.**
- **Each chart has its merits but all VERY similar MULTI YEAR DISLOCATION.**



US 2-5 curve monthly : Despite the near perfect failure at the multi year 61.8% ret 49.286  
 I would still look for the curve to steepen ESPECIALLY if this or ANY 61.8% retracements  
 are breached.



US 2-10 curve monthly : A VERY negative close on last months BAR but I still think the low RSI will override that and see us steepen THROUGH the 61.8% ret 77.675.



US 2-30 monthly : Last months extended bar and close may have put off having a steeper but the RSI says it all! ADD on any break of the 61.8% ret 105.137.



US 5-10 monthly : We have a VERY low RSI similar to that of 2015, but the BASE needs to be confirmed. A close above the 61.8% ret 31.868 will help and spark a MAJOR steepening.



US 5-30 monthly : A base seems to be forming against the LOW RSI. Certainly the stop is cheap sub last months low.



US 10-30 monthly : The LOWEST RSI EVER but we are struggling to gain any steepening traction, any move above the 61.8% ret will be a significant statement.



# STRONGER USD

- It has been suggested that if I technically like US yields LOWER then the USD should rally.
- The next series of charts do hint that and USDCAD has already made a decision already.

DXY monthly : Utilising the MOVING AVERAGE we have found ourselves at a VERY RARE juncture, as highlighted. Admittedly the RSI isn't the lowest but the MOVING AVERAGE could be KEY!





EUR USD monthly : Again the MOVING AVERAGE comes into play and as highlighted previously worked well. If the EURO fails the 38.2% ret 1.2373 it will do so for some considerable period of time! The RSI helps too as at 2008 levels.



USD JPY quarterly : A LESS dynamic cross of late BUT none the less has held the MOVING AVERAGE. This is not the best cross to compare the USD given the RSI.



USDPLN monthly : A rather random choice but a nice RSI - MOVING AVERAGE situation.



USDCAD monthly : The RSI maybe be lame but the MOVING AVERAGE is giving us hope, above 1.300 should allow for GREATER USD strength.



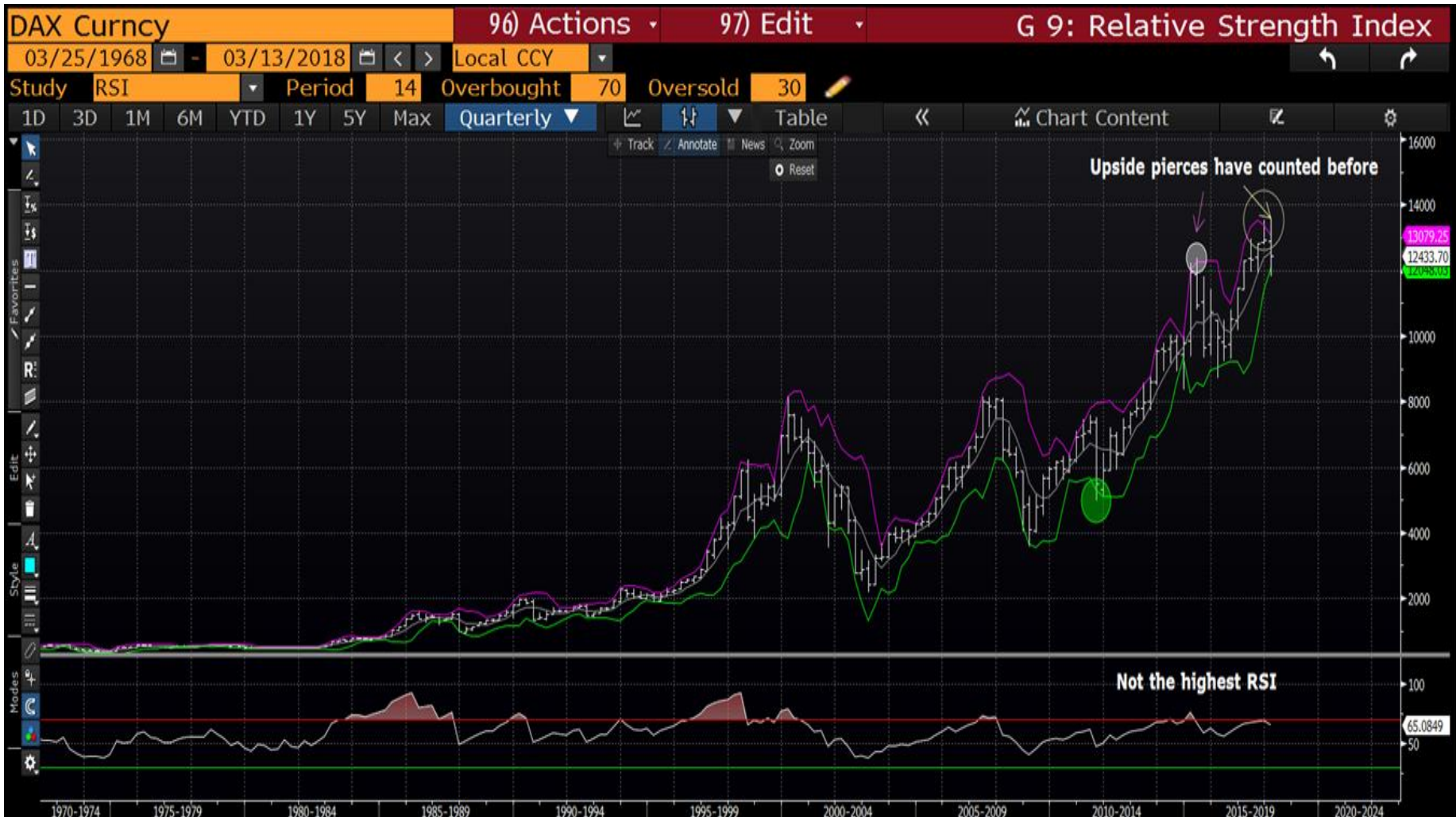
# AUDUSD monthly : Another lame market but a persistent rejection of the MOVING AVERAGE.



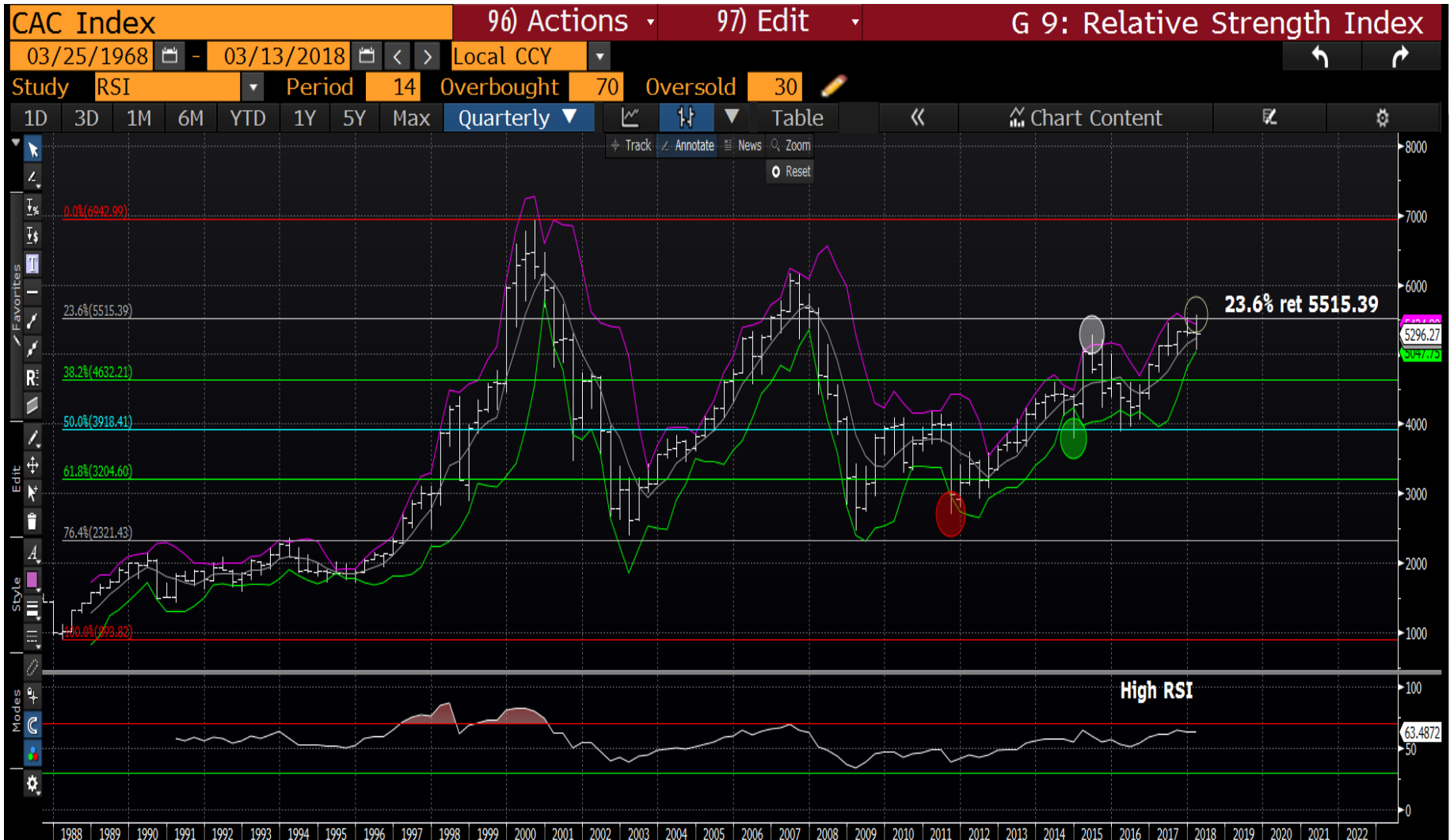
# EQUITIES

- This is the most difficult subject of all to discuss without raising peoples pulse rate. Everyone still wants to “BUY THE DIP” BUT some quarterly European charts are TERMINAL!
- The US continues to grind higher but the over stretch is wrong.
- European equities could have a good old fashion “washout”. I am old enough to remember bonds UP stocks DOWN.
- \*\*It hasn't been talked about but many European stock markets have made NEW LOWS already. A negative situation indeed.\*\*

DAX quarterly : This to me is a chart at the end of its cycle. The RSI is high and that is validated by an upside pierce. We have many new lows on the previous MONTH ALREADY and this is one of them. If we close at those lows then its DISASTER.

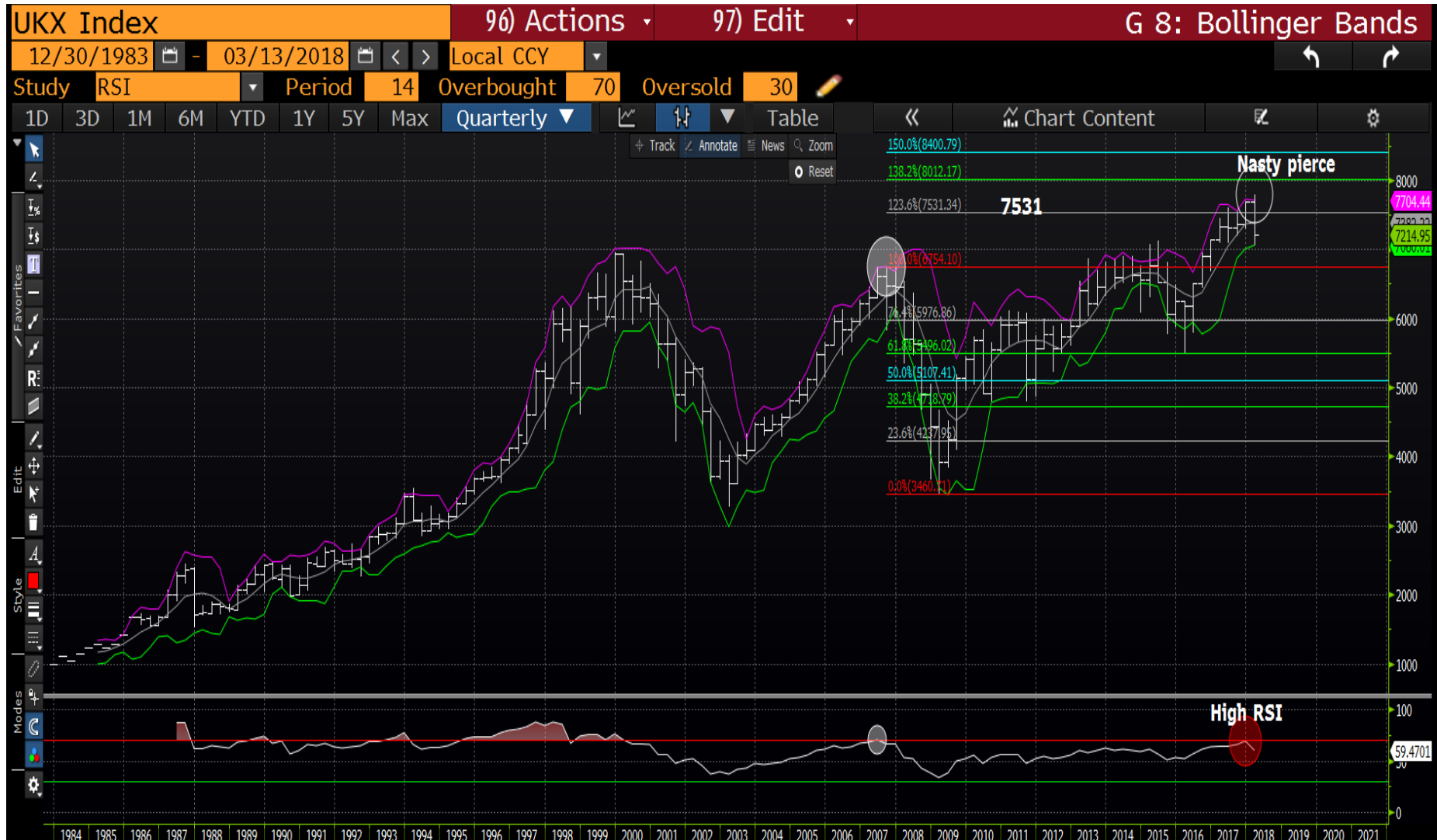


CAC quarterly : This is a very NEAT technical chart. We have stalled at the multi year retracement, created a pierce and HIGH RSI. This to me is a one directional OUTCOME.

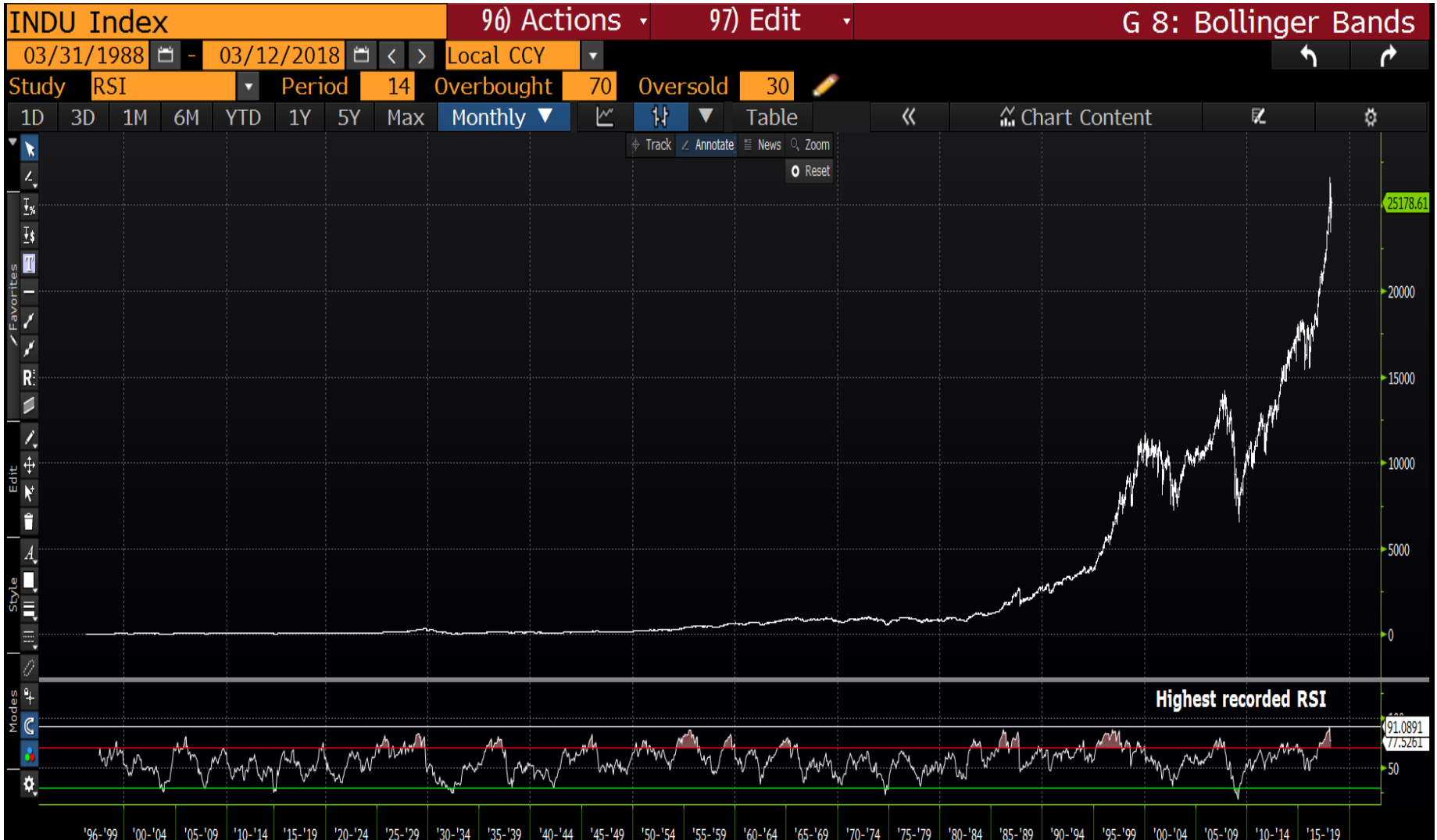




FTSE quarterly : This has had an incredible run but the RSI matches that of 2007 and the latest upside pierce and EARLY new low HURTS. Again this has one route.



DOW monthly : US stocks have had MINIMAL pull back BUT the RSI is obvious!



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NKY quarterly : This too has had a good run but the latest UPSIDE pierce is key, a close below 20479.83 50% ret will be key. The RSI substantiates a move lower.



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