

US CURVES : DARE I say we are finally BASING?!

It has taken time to BASE and 100% confirmation is looming as month-end approaches. Also this is happening with a HIGHER yield bias, which I still have reservations about.

US 2-10 page 4 has held trendline support.

If we do gain confirmation then remember we have significant RSI dislocations, on ALL monthly durations. Last week we established several downside pierces on the daily charts aided by REAL MONEY activity.

**** Trade idea : Between myself and David Sansom we have several trade options that are happy to send and discuss. ****

I still think this will be a BULL STEEPENER, correlation isn't great having made this statement BUT preciously it took time to change the yield direction.

US 2-5 curve monthly : This has just about held onto the RECENT lows! We have popped above the previous low 33.135 and a push above last months 41.00 high WILL confirm a BASE.



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US 2-5 curve daily : We now look to have formed a BASE, back above the 61.8% ret 36.650 will go along way to adding conviction in the bounce.



US 2-10 monthly : We have held the 2000 trend line and is holding as month end approaches, a key reversal so far. Next month we'll know more.



US 2-10 daily : We should receive confirmation of a bounce if we breach the 76.4% ret 55.891.

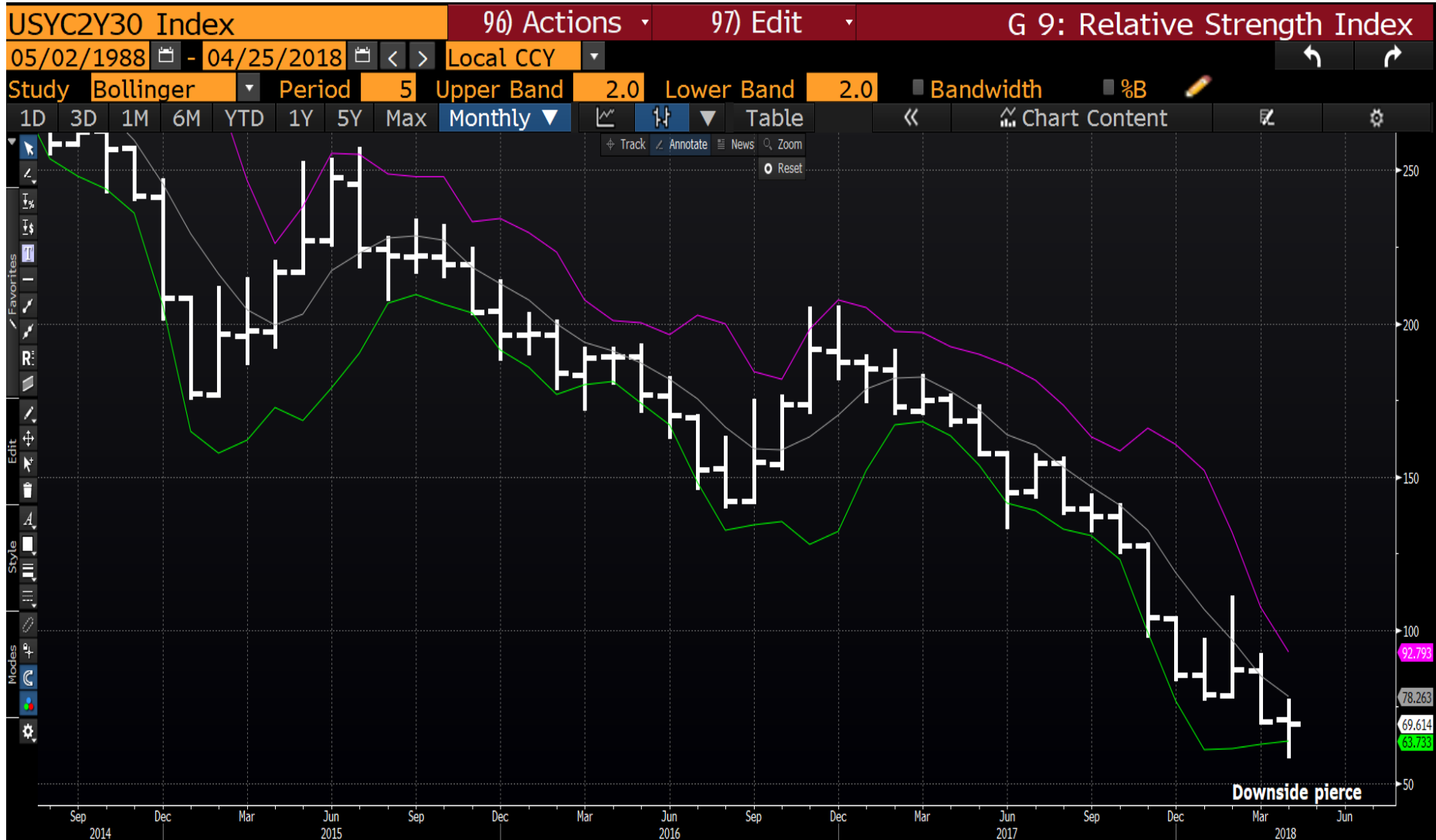


US 2-30 monthly : The RSI is at 2006 extensions but not fully confident in the steepening
 YET, this should be confirmed next month.



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US 2-30 monthly : We have generated a downside pierce but ideally need a close above the bollinger average 78.263 to confirm recovery.



US 2-30 daily : It would be extremely helpful if we could breach the top of the trend channel i.e. above 72.593.

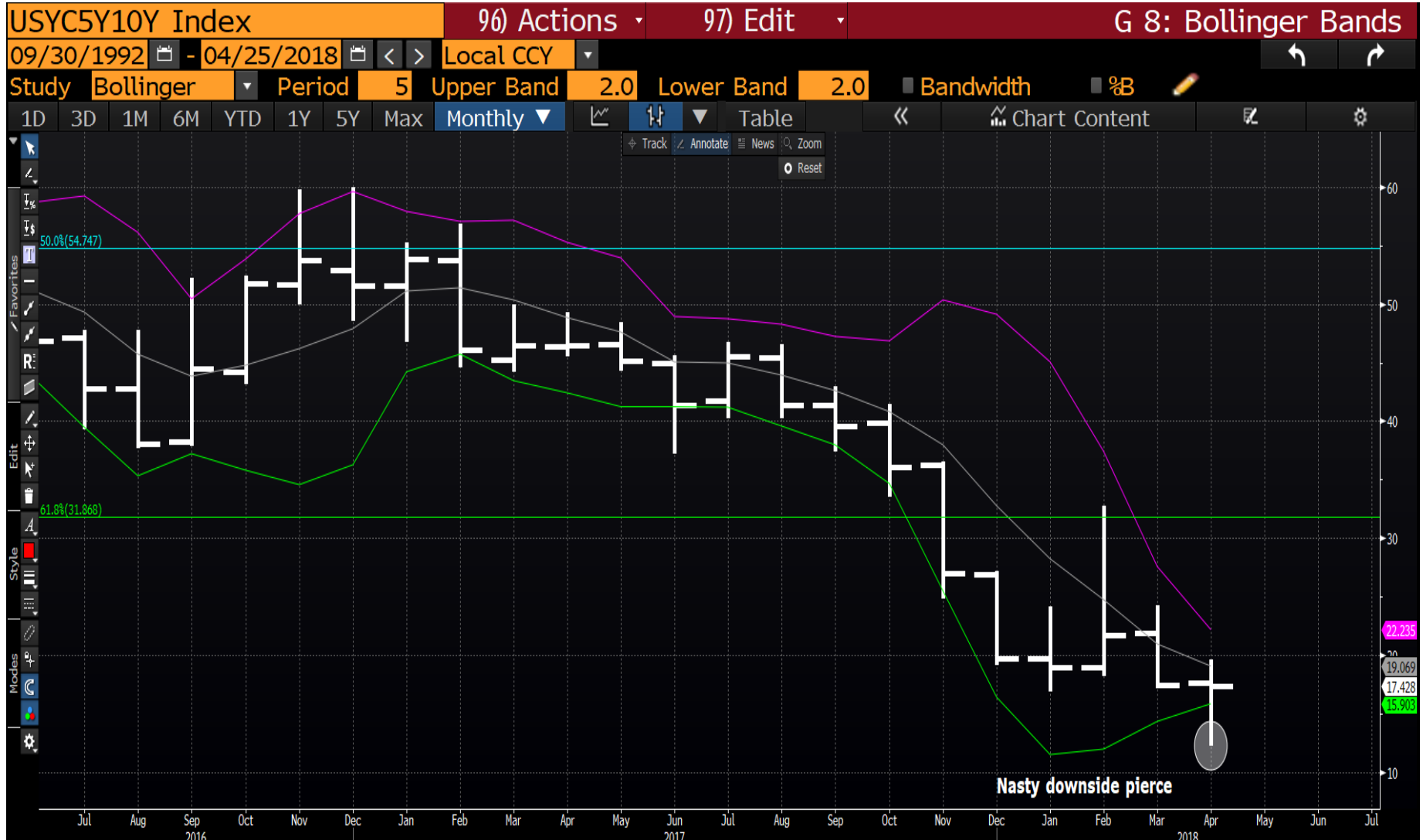


US 5-10 monthly : A more encouraging long-term chart as the RSI is even more dislocated.
A nice reversal on the month so far and potential to steepen!



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US 5-10 monthly : A DECENT pierce has been formed and needs confirming with a break of the bollinger average 19.069.



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US 5-10 daily : We are slowly endorsing the PIERCE from last week and could see further confirmation once above the 100% ret 16.909.



US 5-30 monthly : Again another VERY LOW RSI BUT less bounce than the previous charts.



US 5-30 daily : We are teasing above the 123.6% ret 34.055, further confirmation above the 100% ret 40.049.



US 10-30 monthly : One of the worst performers DESPITE the LOWEST RSI.



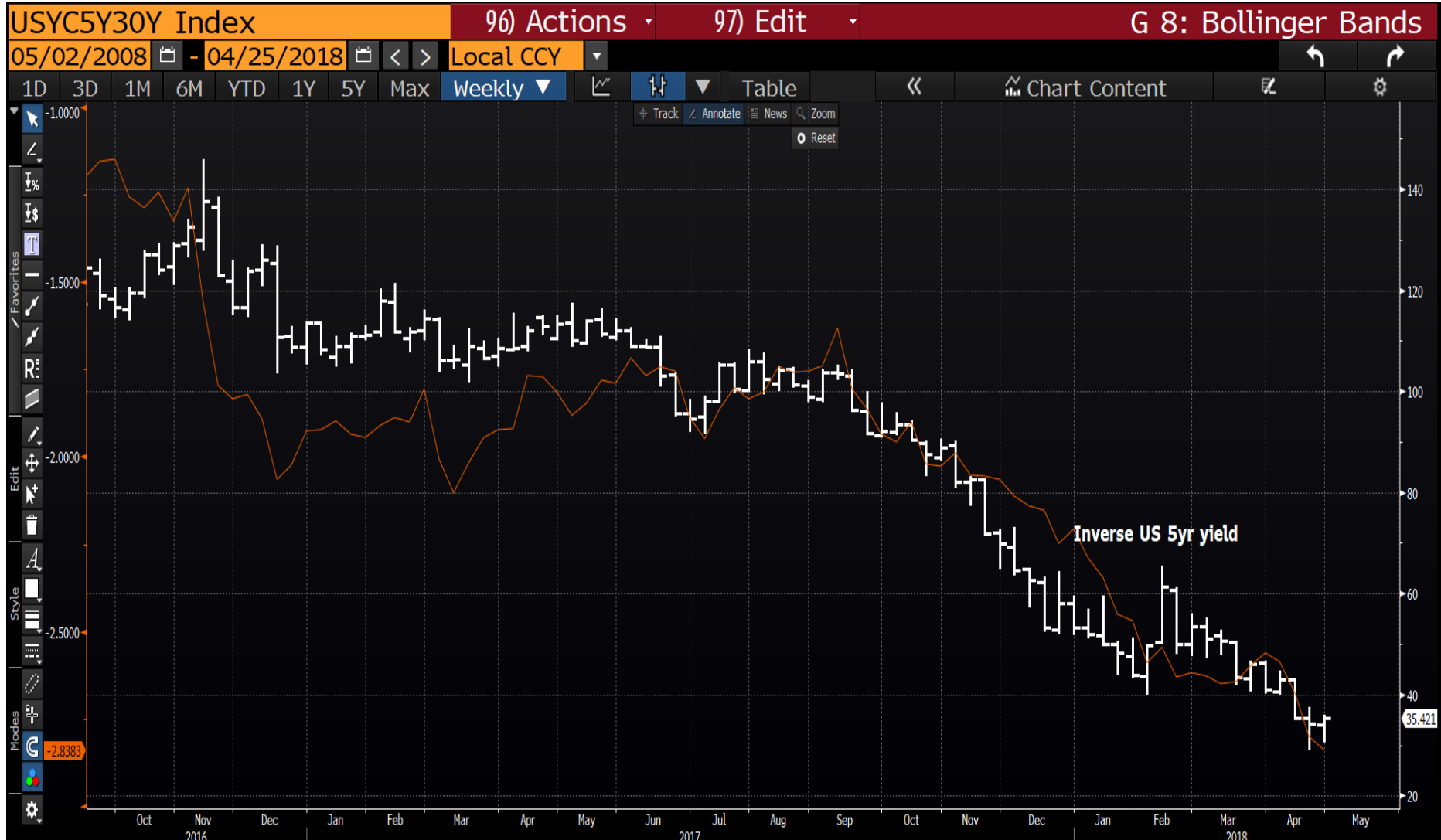
US 10-30 daily : The RSI is back at the lows and lets see how the pierce aides weekly closes.



US 5-30 curve overlay US 5yr yield monthly : I am still trying to reasons to ENDORSE my view that it will be a BULL STEEPENER, given the latest steepening is in a BEAR MARKET MOVE. As the chart shows below THEY do EVENTUALLY follow each other, so I believe the latest yield rally will stall.



US 5-30 curve overlay US 5yr yield (Inverse) weekly : We have a closer correlation that said we NEED more proof.

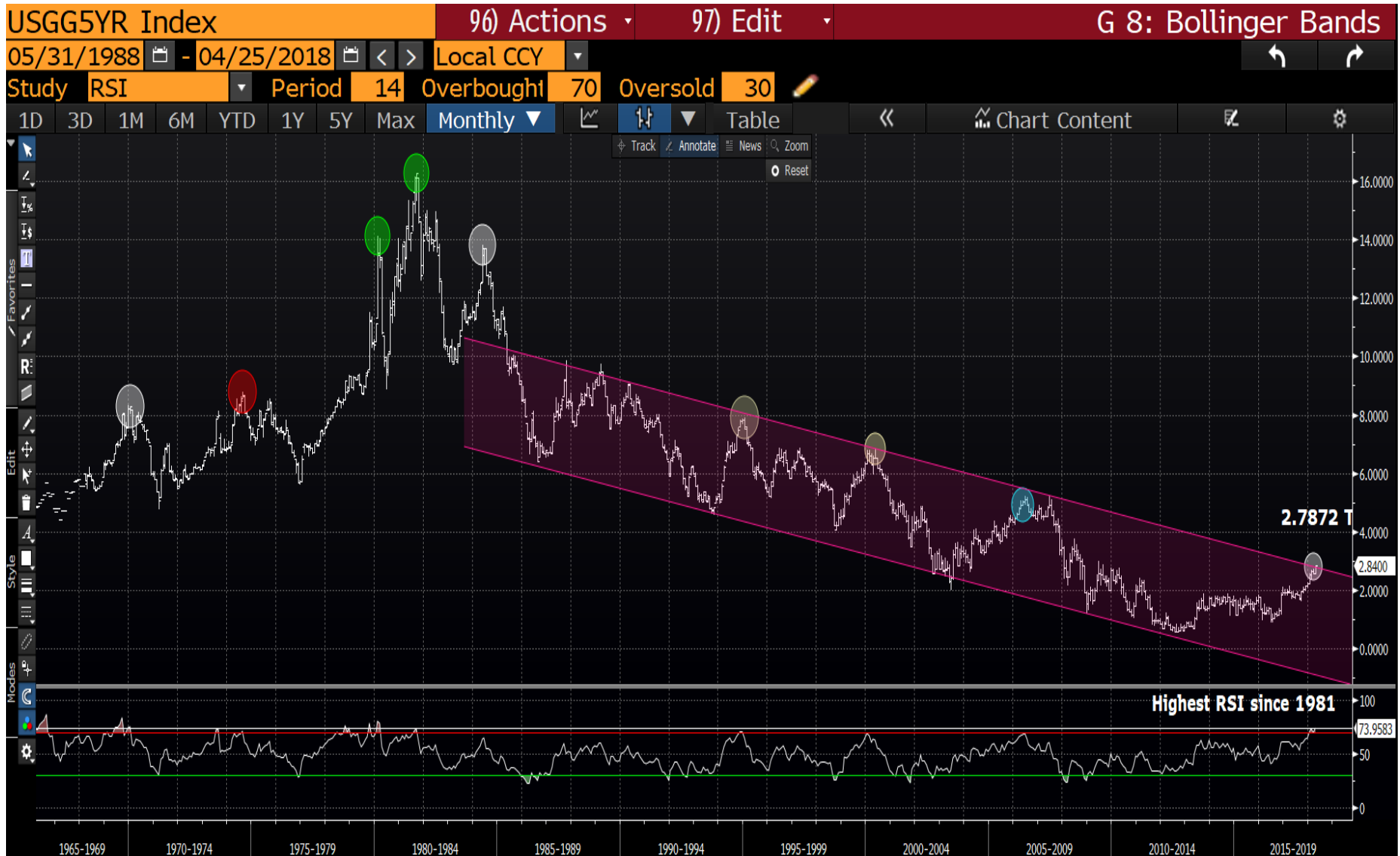


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US 5yr Quarterly : This RSI remains HIGH, highest since 1982.



US 5yr monthly : Again we are not going to escape the RSI being as high as 1981 with CHANNEL resistance.



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This research was prepared by Chris Williams. He is a self-employed contractor with Astor Ridge. A history of his research can be provided upon request in compliance with the European Commission's Market Abuse Regulation.

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