

## **BONDS UPDATE :**

**THE YIELD DROP MAY PAUSE for a breather BUT A QUICK GLANCE BACK TO ALL MONTHLY AND QUARTERLY CHARTS CONTINUES THE LONGTERM YIELD LOWER CALL.**

**The GERMAN yield DROP MAY have gotten TOO oversold in the short-term BUT overall sub the 0.466 will be terminal.**

**US yield charts CONTINUE to HIGHLIGHT SIGNIFICANT RSI YIELD dislocations, i.e. WAY too OVERBOUGHT historically. This dislocation is most prevalent in the 2, 5 and 10 year area, those RSI dislocations transpose over ALL chart durations.**

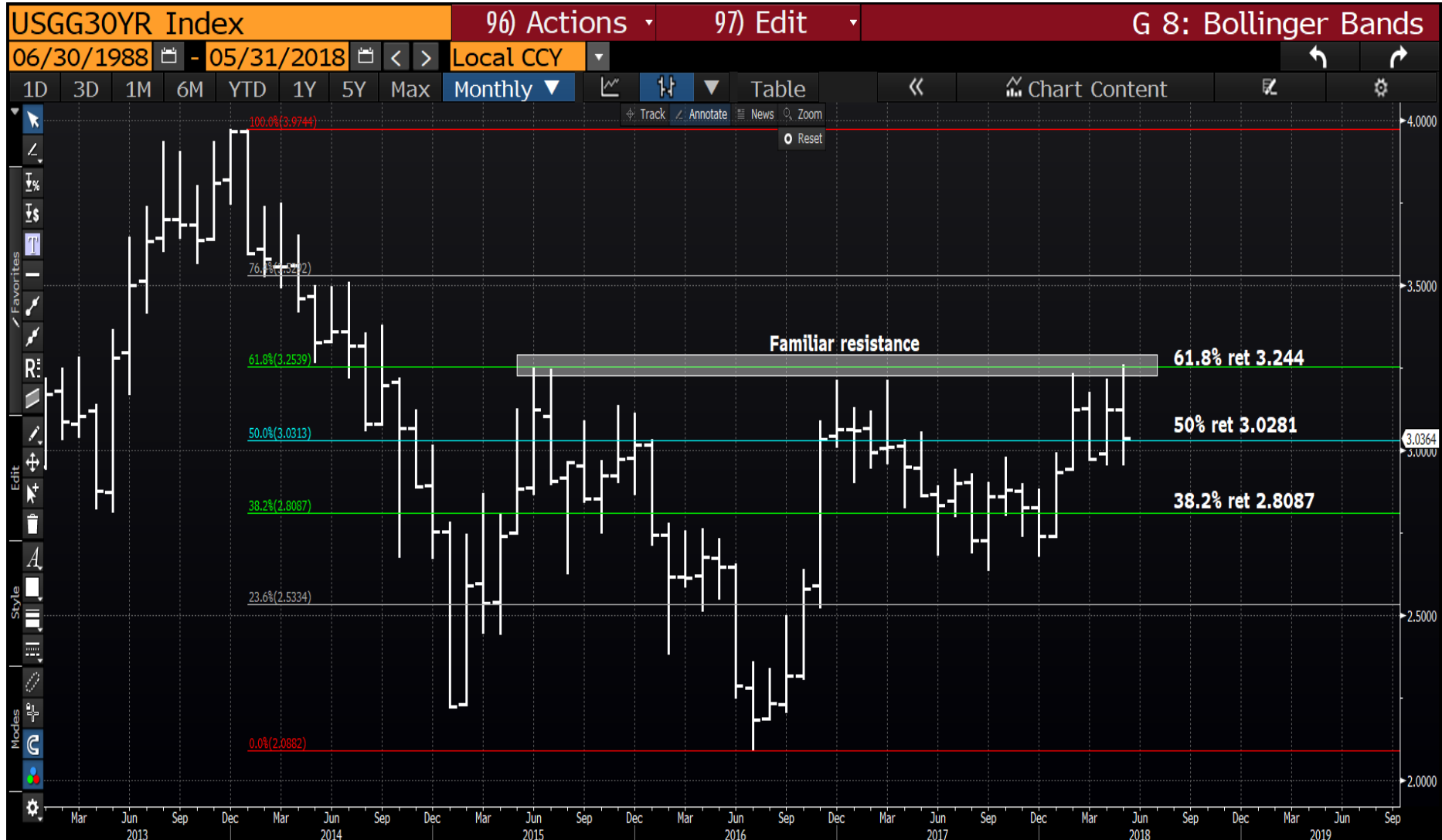
**US CURVES continue to frustrate despite the LOW RSI's.**

US 30yr yield quarterly : We are generating a second quarter UPSIDE pierce IDENTICAL to GERMANY! A Major worry and trend support looming.



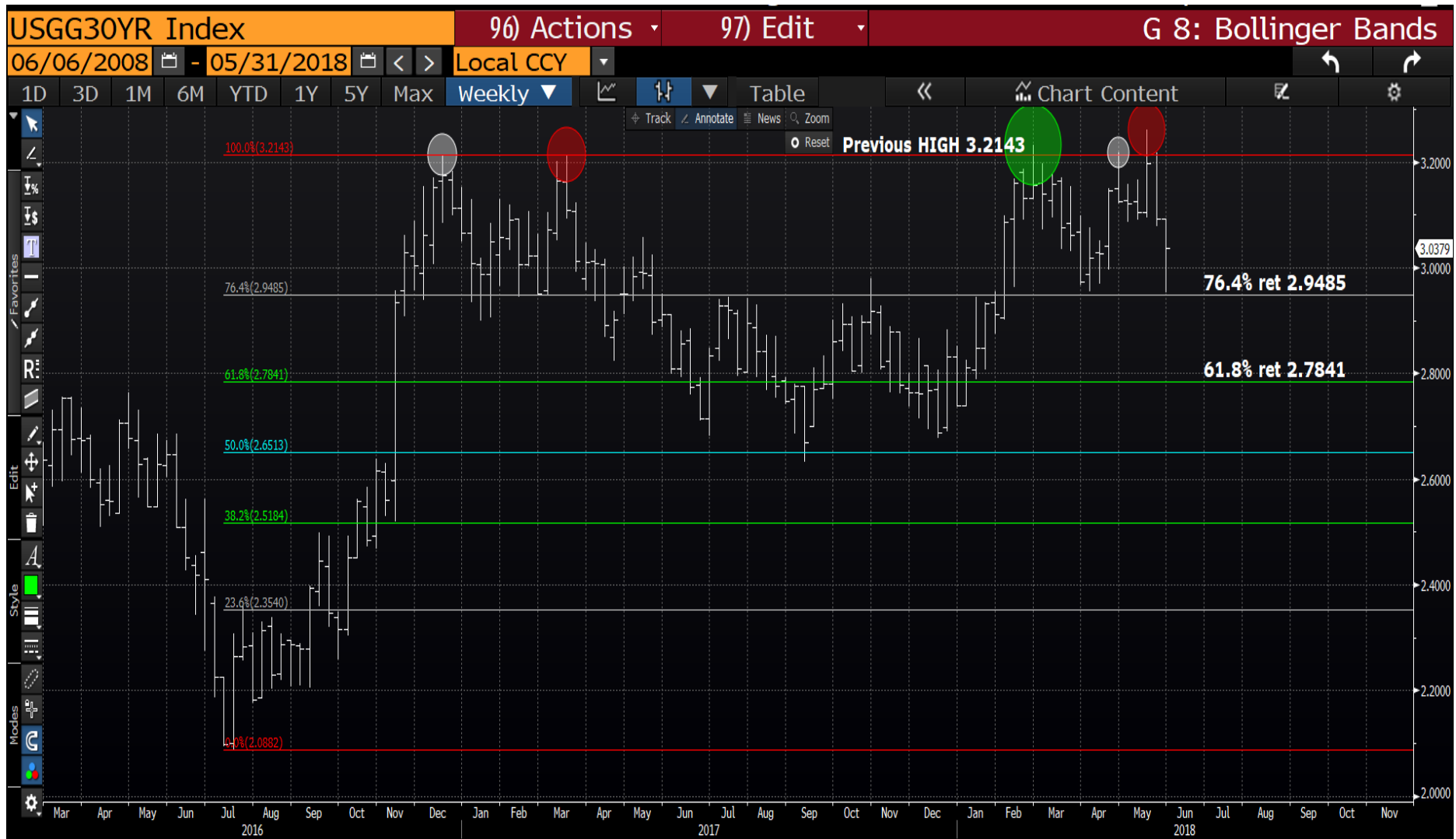
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US 30yr yield monthly : We have stalled against the 61.8% ret 3.244 and hopefully can sustain a HOLD sub the 50 % ret 3.0281 going forward.



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US 30yr yield weekly : A breach of the 76.4% ret 2.9485 will be a BIG statement.



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US 30yr daily : A breach of the 23.6% ret 2.9484 will be a MAJOR step given the RSI is now low.



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US 10yr yield quarterly : Another major reversal on the month, this with an RSI dating back to 1984. Ideally we breach the close of last quarter 2.7389.



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US 10yr monthly : Another top potentially in and sub the 76.4% ret 2.6425 will confirm. The RSI remains highest since 2000.



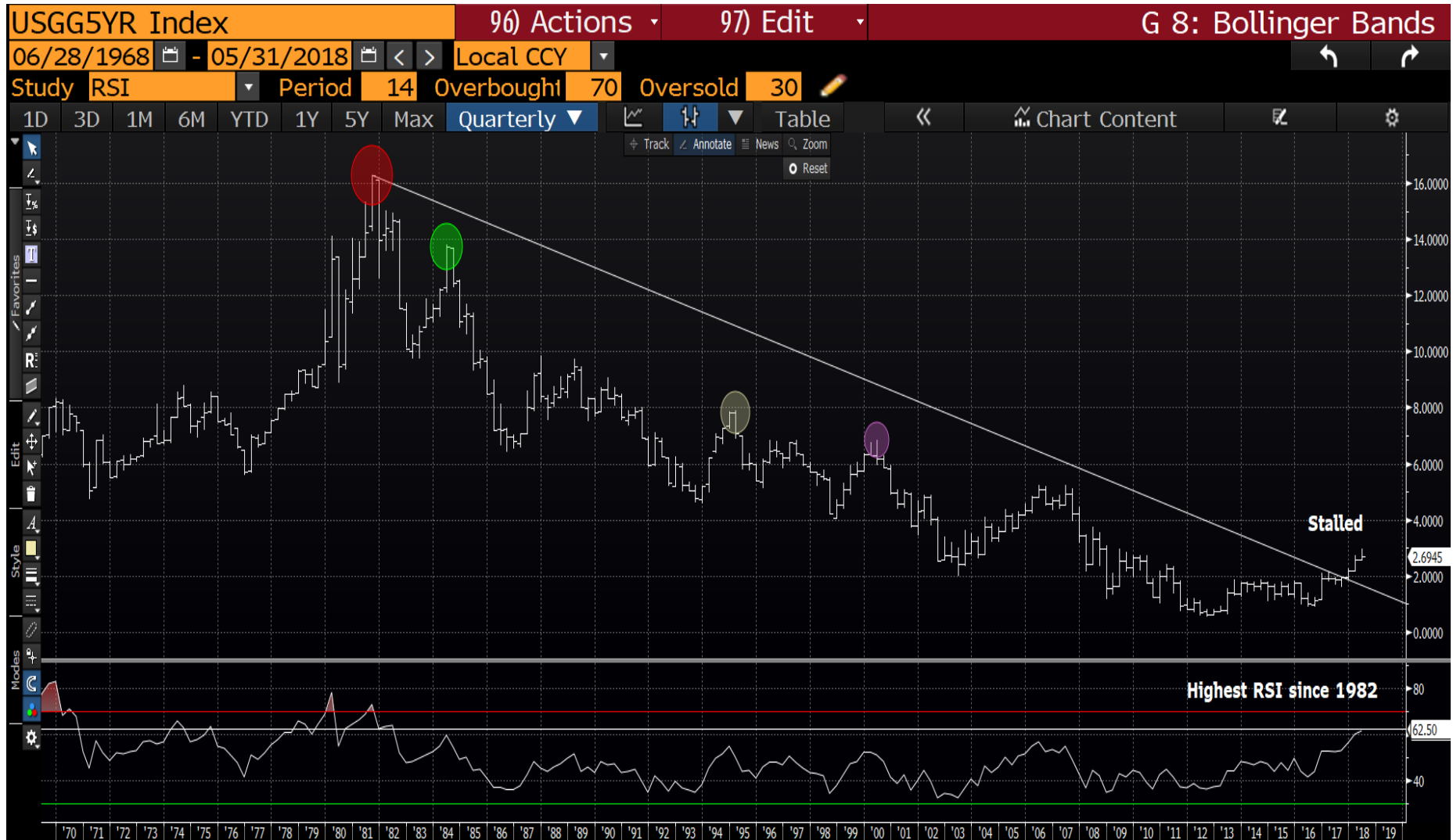
US 10yr daily : We have spiked through the 100% ret 3.0516 level and plenty of scope for it to become a FALSE break. Sub the 76.4% ret 2.6425 will help. The only obstacle is a low RSI.



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US 5yr quarterly : Despite the latest yield rally the RSI is as HIGH as 1982!  
This long-term chart is backed up by the monthly therefore it's a MAJOR disparity, thus  
could form a long-term peak.



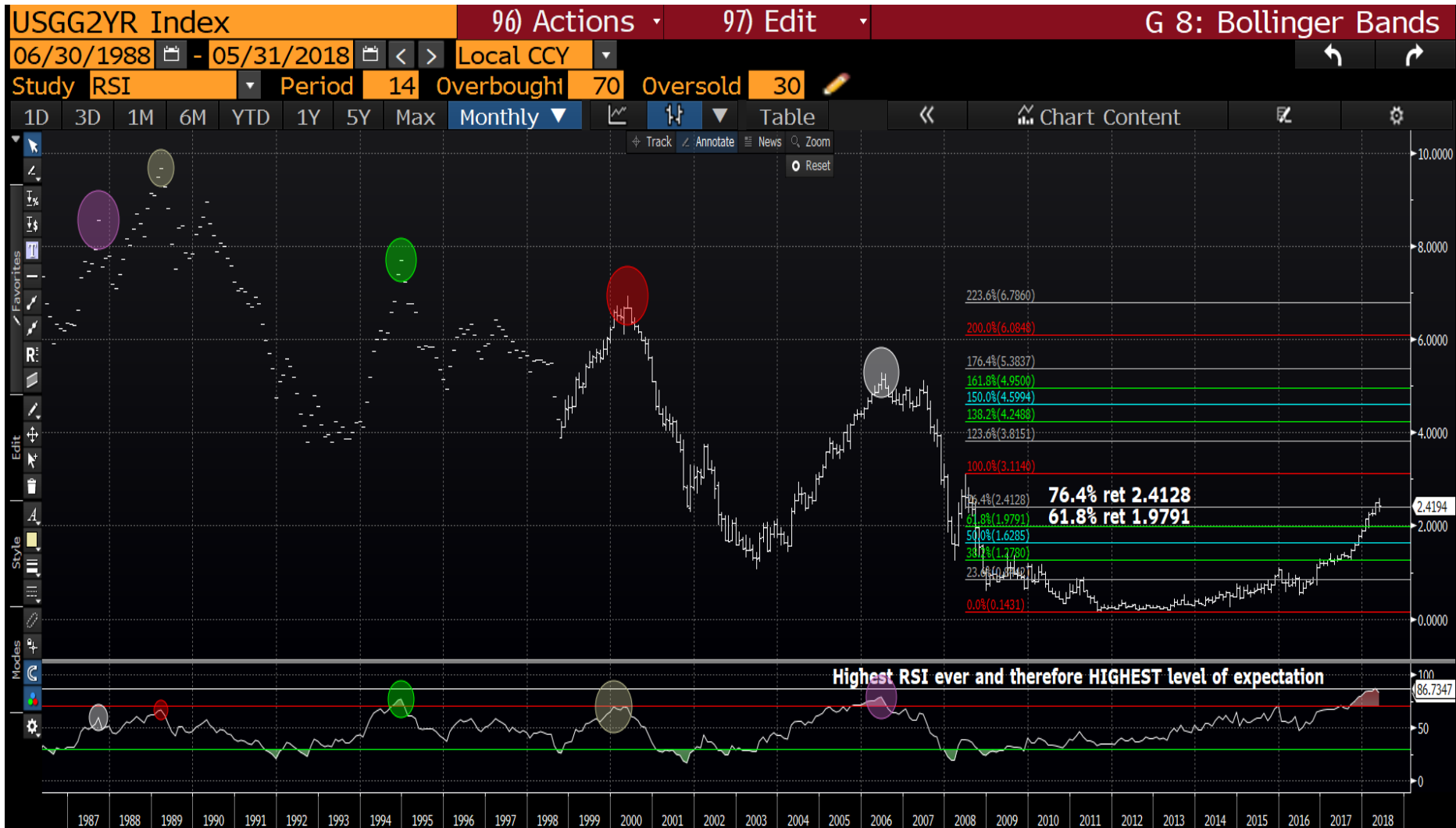
US 5yr monthly : A MAJOR statement as we are now back in the LONGTERM trend channel (2.7874), the RSI has A LOT of unwind potential.



US 5yr weekly : We have failed the 50% ret 2.8846, targeting the 38.2% ret 2.330. The RSI at 1984 levels!



US 2yr monthly : I would not normally chart something this short BUT it does go some way to explaining how HIGH expectation is!? A close sub the 76.4% ret 2.4128 will be a MASSIVE step for lower yields.



US 2yr daily : We have a break of the channel that we need to maintain below, sub 2.4806 will help.



US 30yr future daily : Despite the high RSI we are in the thick of MANY retracements. A breach of the 50% ret 145-25 will help.



US 10yr future daily : The RSI is high but we have more work to do to breach the 50% ret 120-31.



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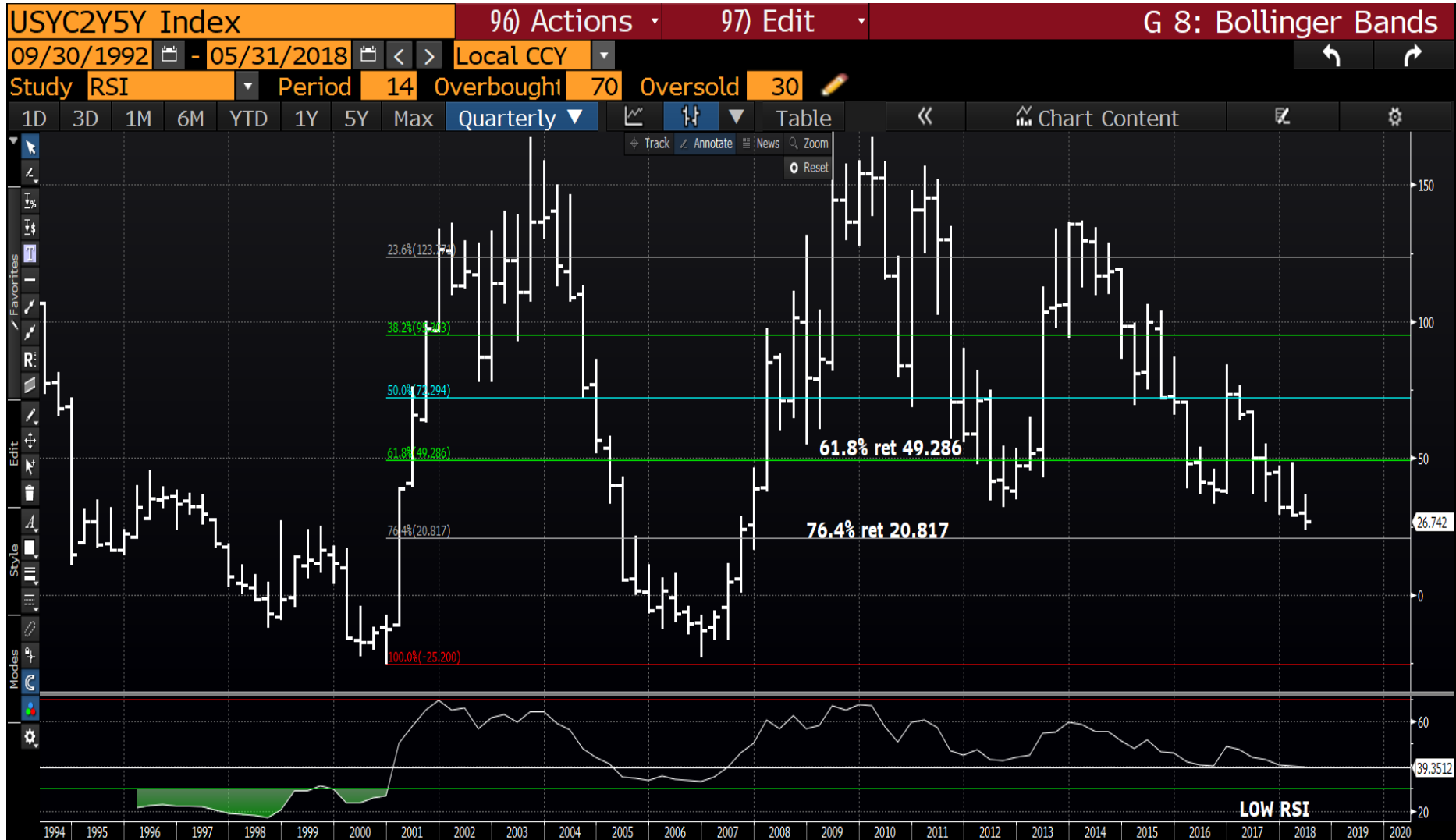
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US 5yr future daily : A little of an over reach, ideally we get back above the 50% ret 114-11.



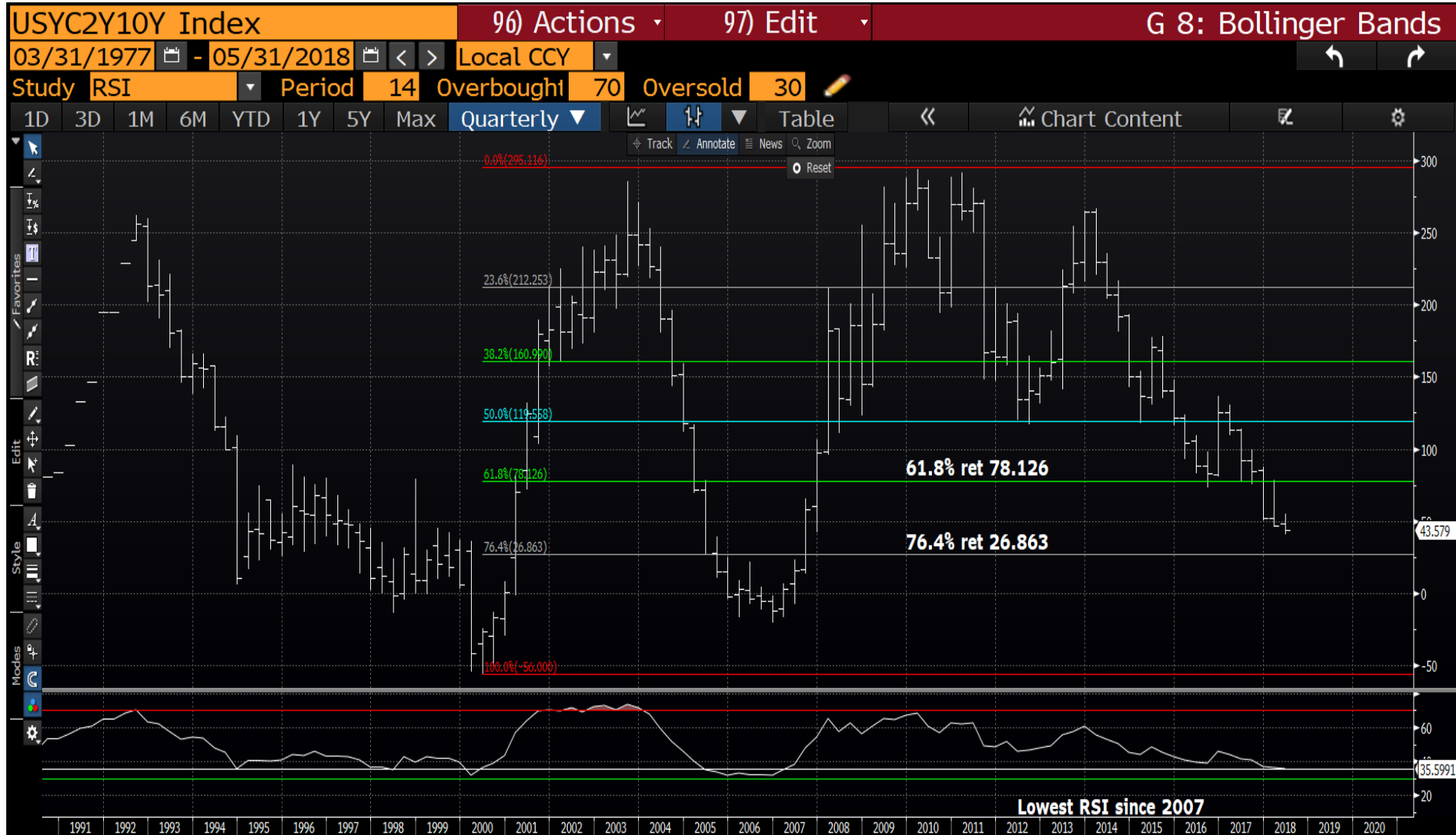


US 2-5 curve quarterly : We have a low RSI and potential salvation in the 76.4% ret 20.817.

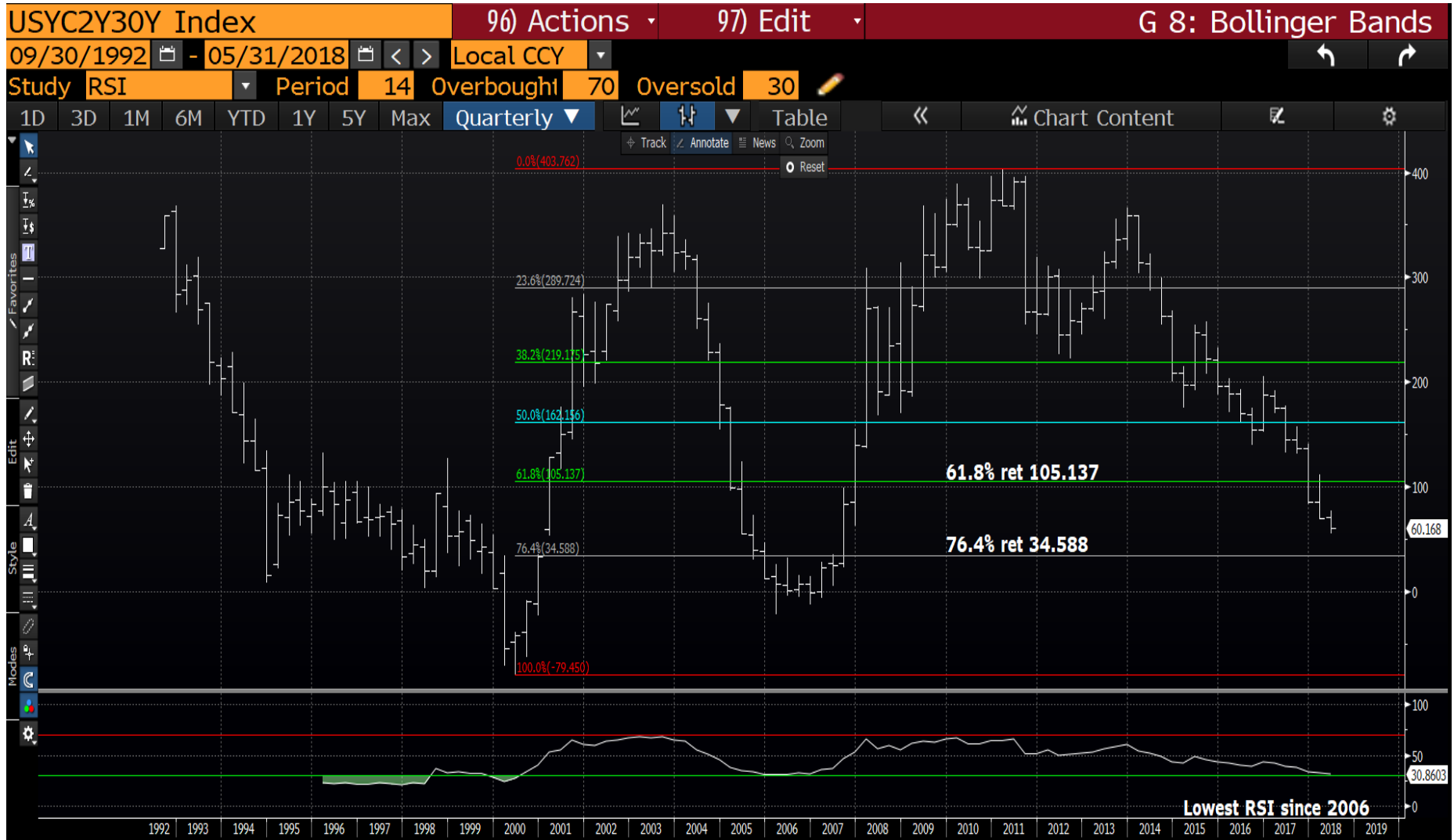


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US 2-10 quarterly : Again we have a sizeable historical RSI BUT no apparent level of support.



US 2-30 quarterly : The RSI is the lowest since 2006 thus we are due for a correction, level wise it remains difficult to pinpoint a LOW.



US 2-30 monthly : This endorses the RSI dislocation apparent in the monthly too, still no clues as to an entry level.



US 5-10 monthly : A possible HOLD as we haven't breached last months LOW and the RSI is the lowest since 2006.



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US 5-30 monthly : This has the 76.4% ret 21.776 looming aided by the 2006 low RSI.



US 10-30 monthly : This has the lowest RSI ever and 76.4% ret 7.545 looming.



Generic German 10yr quarterly : We have 2 major upside pierces and well and truly back in the channel 0.466.

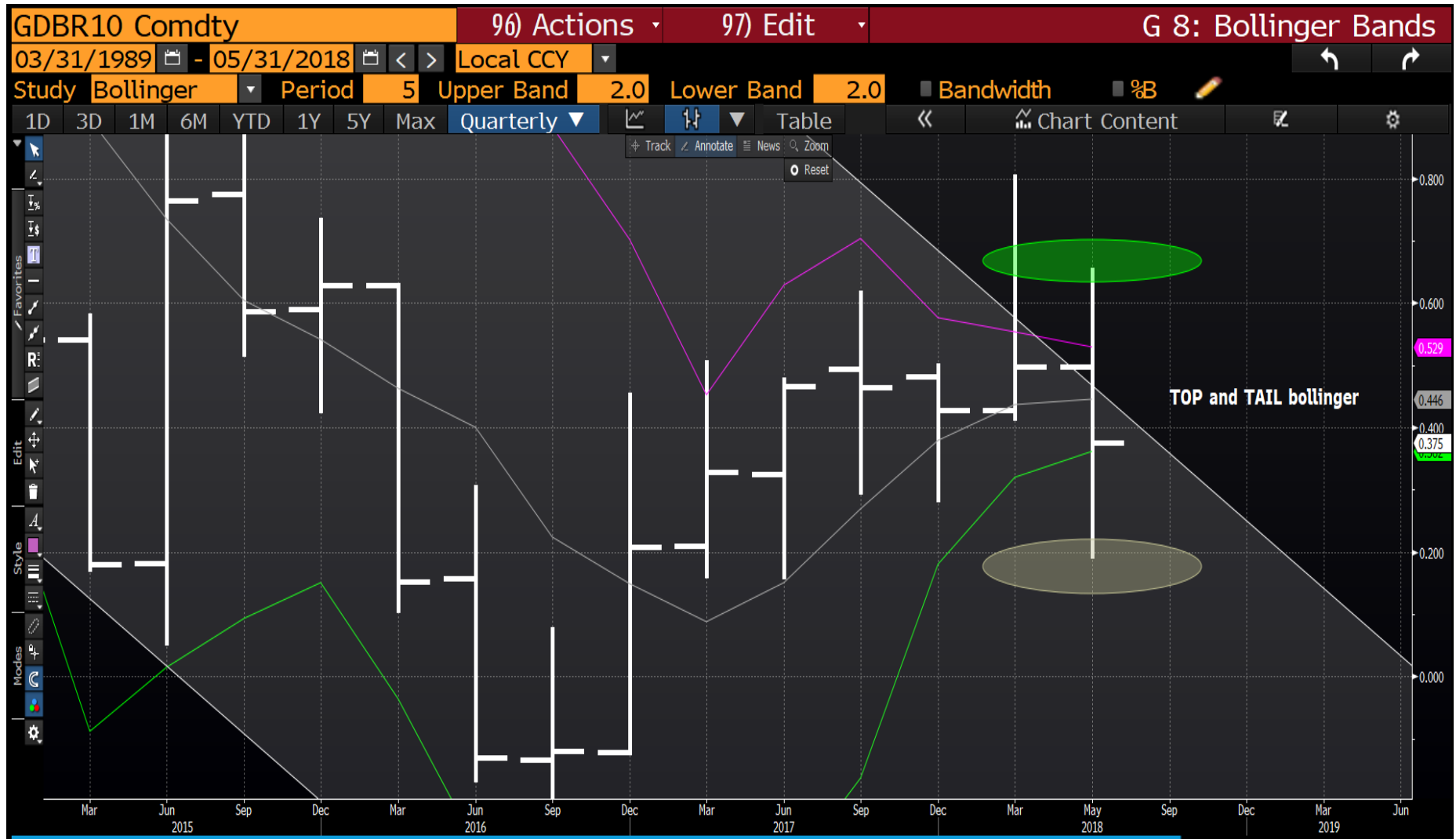


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Generic German 10yr quarterly : BIG PROBLEM here is that we have developed PIERCES at EITHER end of the BOLLINGERS. This highlights an explosive quarter that will only conclude at quarter end. The suspicion remains for a close at the yield lows.



Generic German yield daily : We have a nasty low RSI from the weeks events but whilst sub the 38.2% ret 0.421 yields should head lower.



Bund daily : The RSI is high and the 150% ret 164.16 has been a perfect hit but ideally we can hold the previous high 160.98.



BOBL daily : The RSI is lofty but holding the 76.45 ret 131.912 is key.



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Schatz daily : The RSI has worked off some of its extension so the hope is we hold the 76.4%  
ret 112.060.



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UK 10yr monthly : Hopefully we can remain sub the 2008 trendline 1.382.



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UK 10yr yield daily : A decent hit of the 76.4% ret 1.104 and hopefully we remain sub the 50% ret 1.307.



DBR 46 daily : The RSI dislocation has lost some of its venom and hopefully we can remain above the 61.8% ret 135.721.

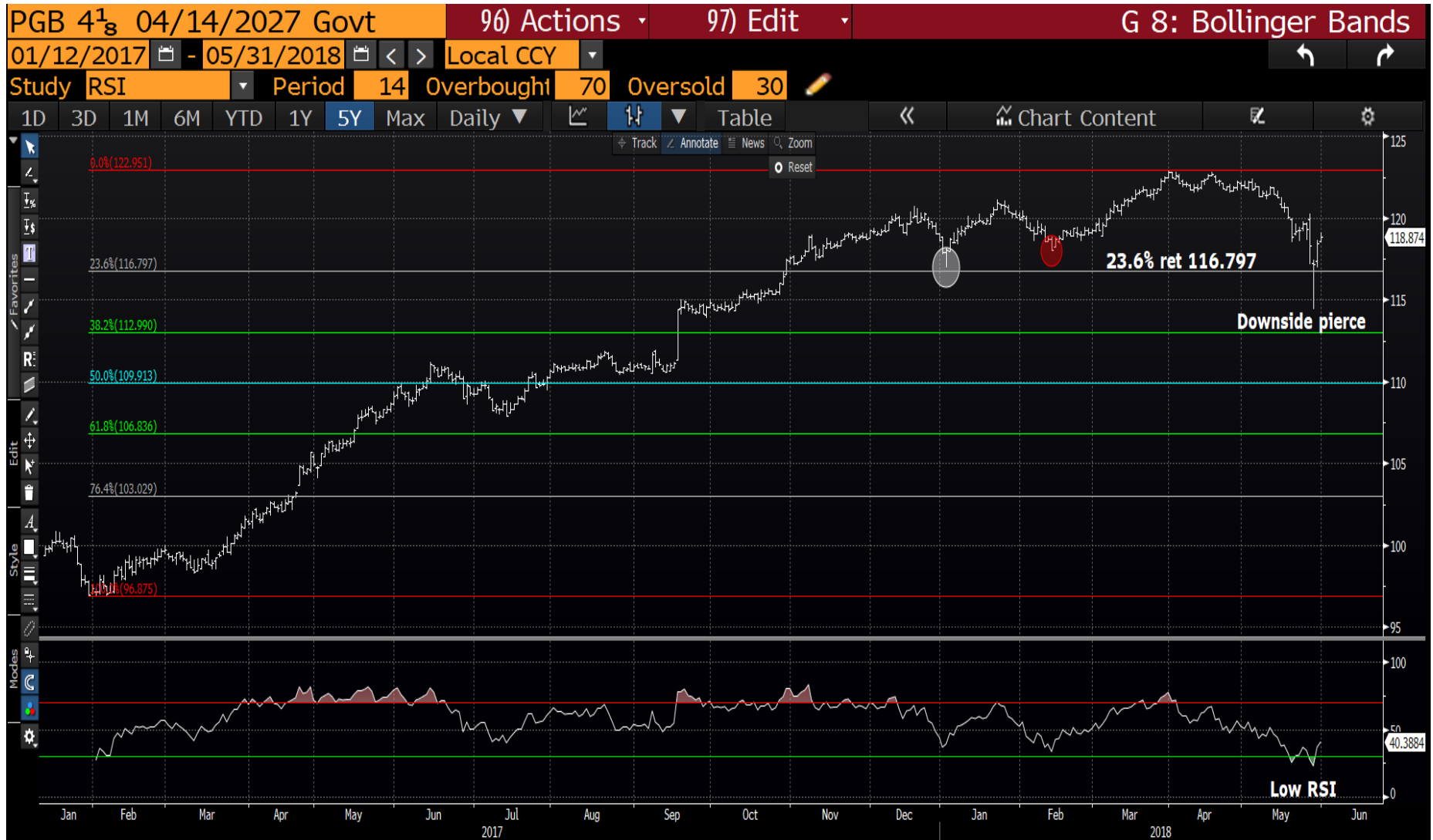




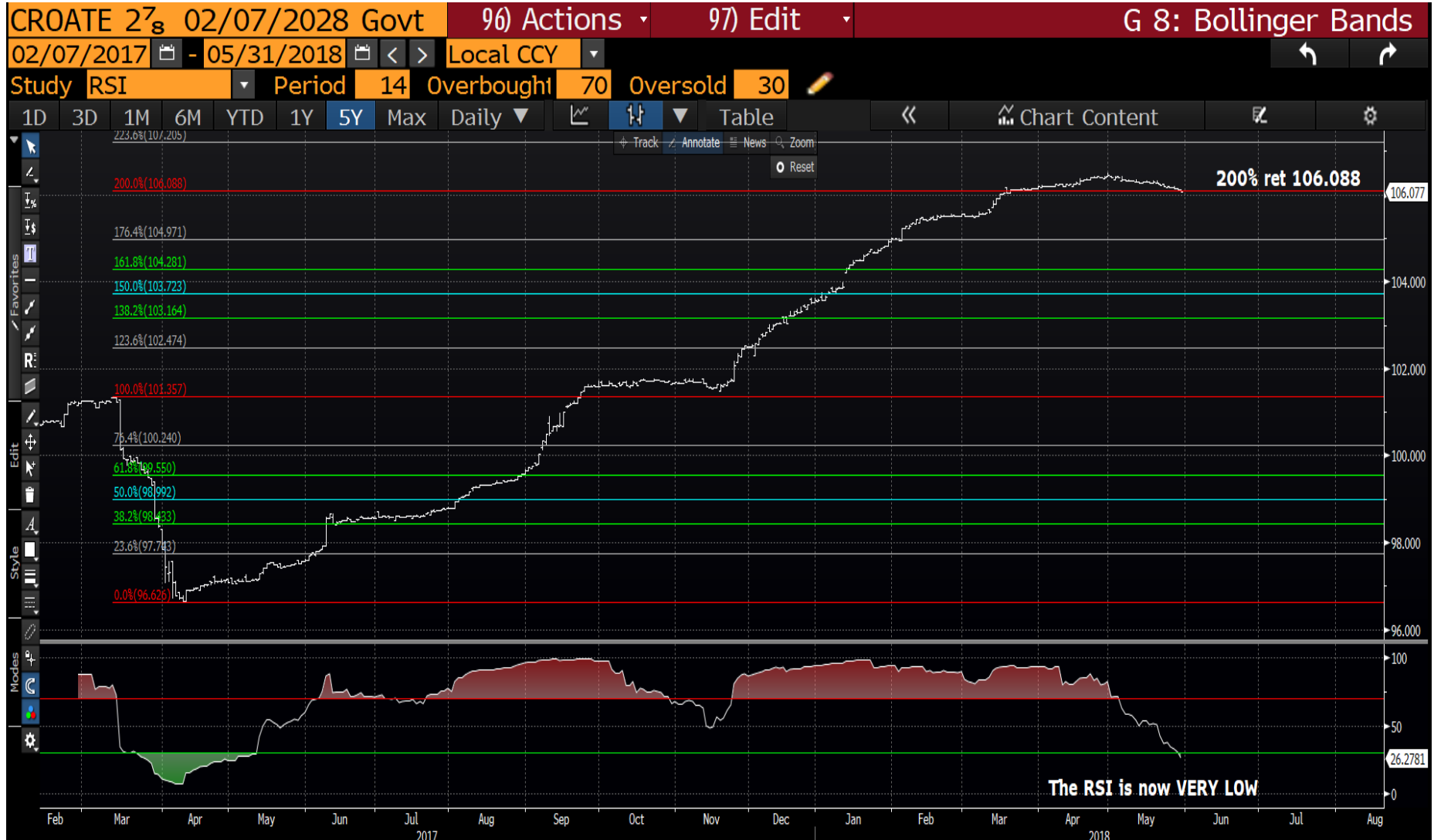
Italian generic 10yr daily : The RSI is now VERY stretched but NO level yet to be HIT.



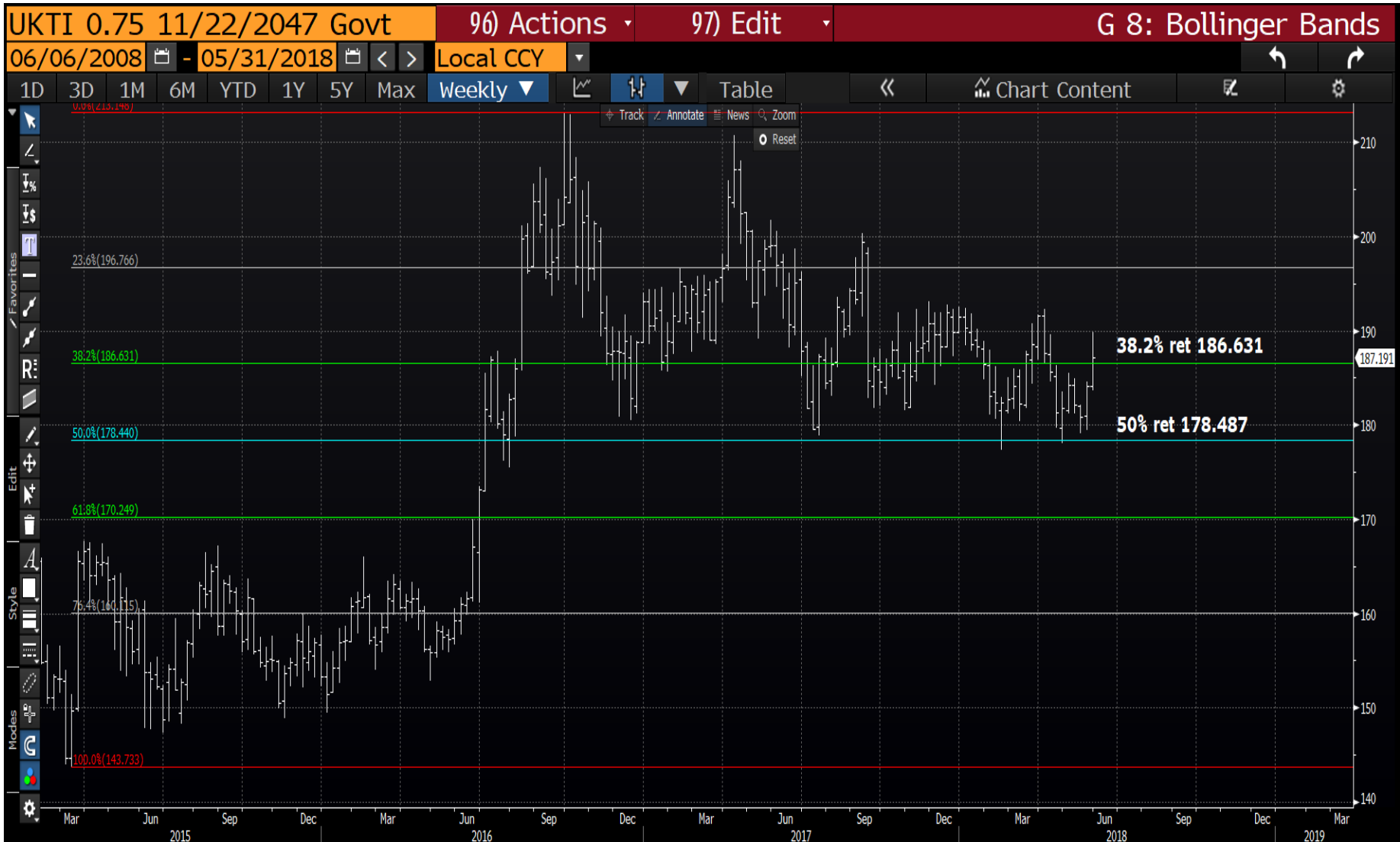
Portugal 27's : A sizeable RSI hold and 23.6% ret 116.797, we should bounce.



\*\*Croatia 28' daily : The RSI is now VERY low as we hit the 200% ret 106.088.



UKTI 47's weekly : VERY SOLID support having HELD the 50% ret 178.487, add on a breach of the 38.2% ret 186.630. This is HOLDING.



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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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