

## EXTRA UPDATE : BONDS AND EURO ..

Yesterday is now proving to be a good day for long bond reduction, many HIGH RSI's and UPSIDE Bollinger pierces in evidence.

Generally flatten up on MOST bond longs in EUROPE as the VAP (VOLUME AT PRICE) charts highlight an OBVIOUS period of illiquidity looming!

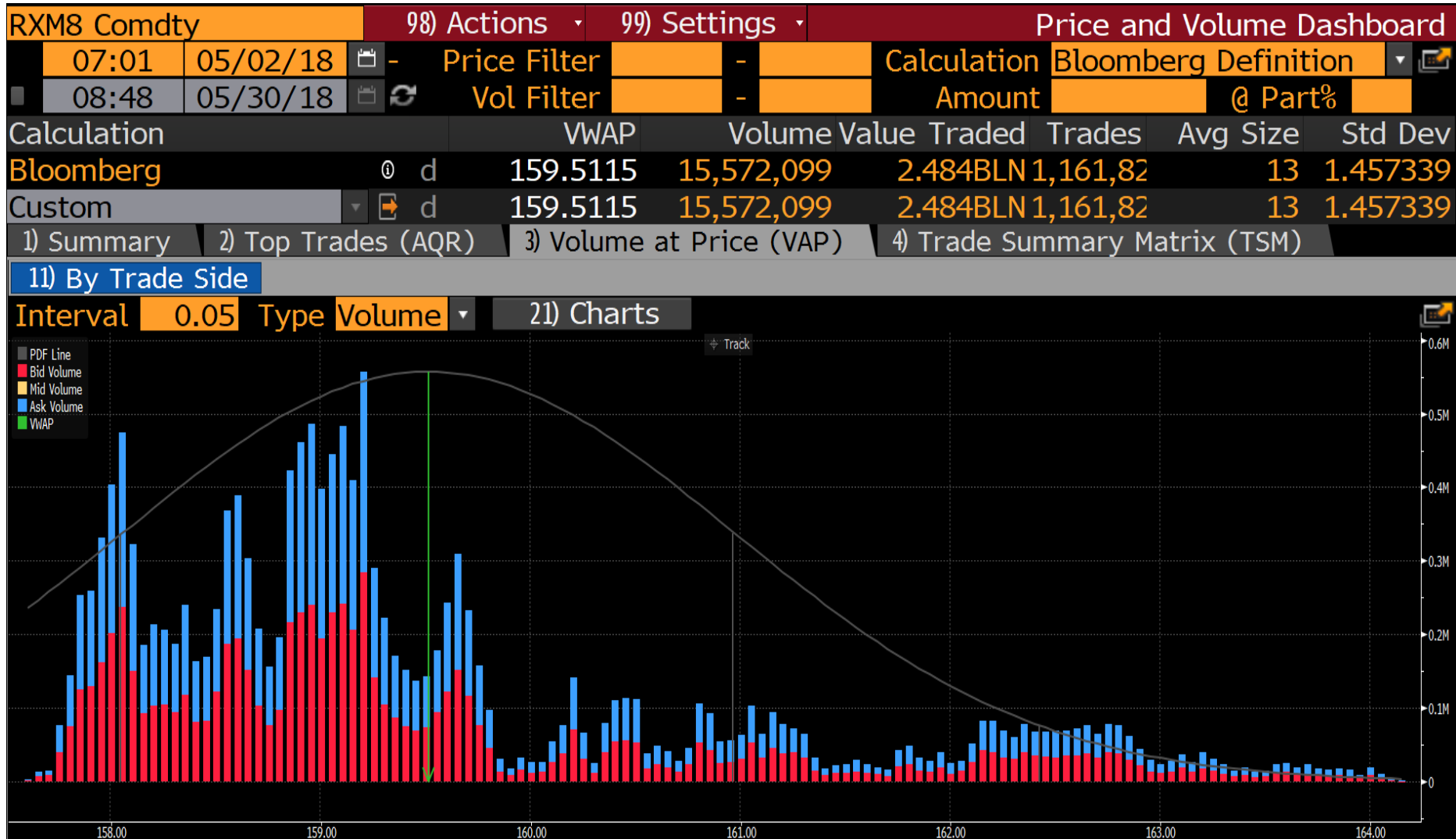
The BIG picture still remains LOWER yields over all.

Bund future : Mentioned yesterday to reduce any long exposure as we hit the 150% ret 164.16 and the RSI is HIGH. Month end MAY eradicate the recent pierce but we shall see. Above all would favour flattening out on what has been a decent bounce.



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Bund VAP : Stating the obvious BUT this highlights the DESTINCT lack of VOLUME from 159.80 to 164.15! The market can therefore FLIT around and be very irrational, with negative bias prompted by the upside bollinger pierce yesterday.

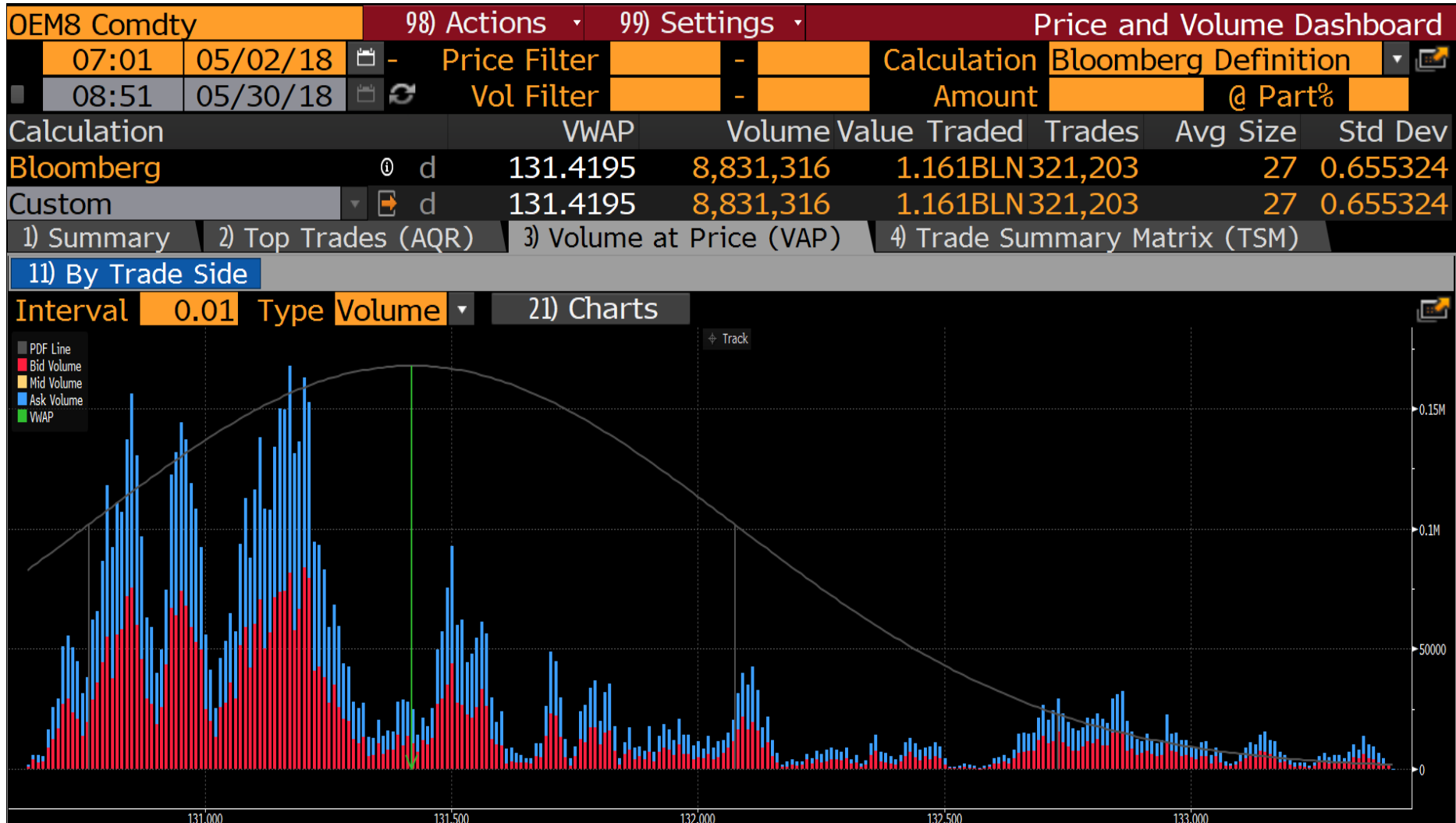


Bobl daily : The RSI is high and we have created a pierce shy of the 123.6% ret 133.488.

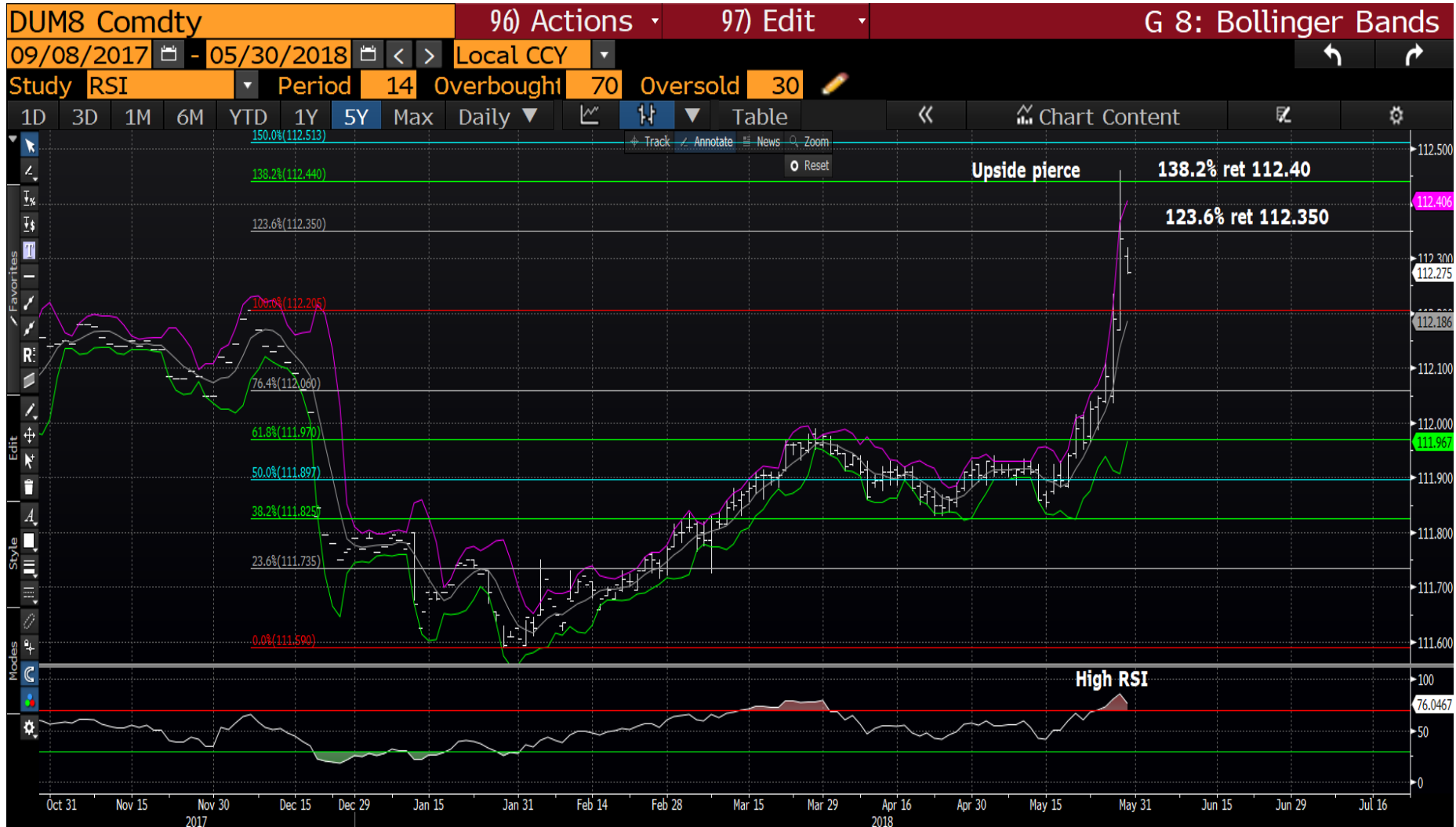


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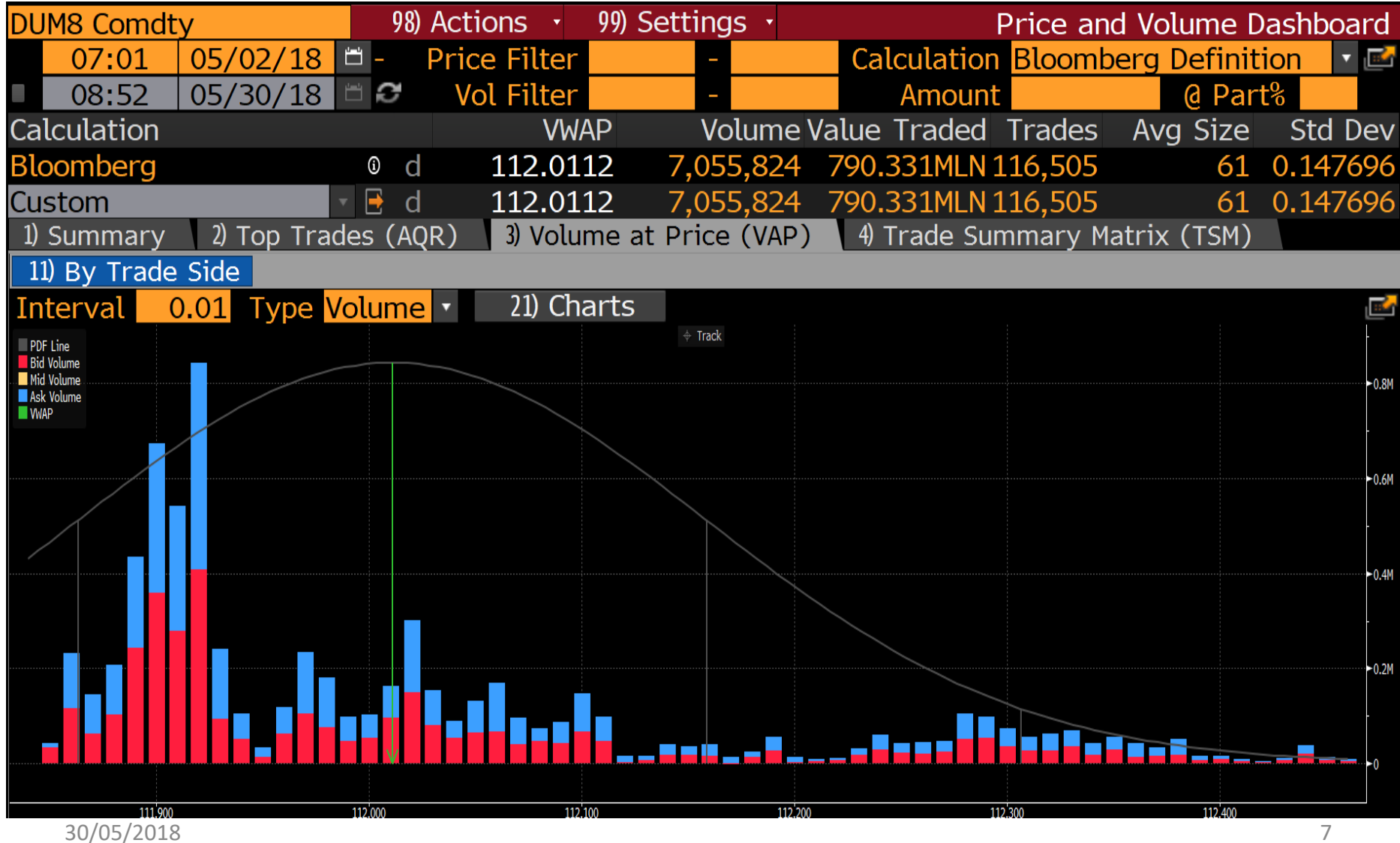
Bobl VAP : Again further confirmation of emotional price movement on a LOW volume status.  
 Very few points of VOLUME contact.



Schatz daily : Schatz over shot yesterday creating a sizeable upside pierce at the 138.2% ret 112.40.



Schatz VAP : Another scary volume chart highlighting significant room for RANDOM price moves.



German 10yr quarterly : This chart highlighted the initial call for lower yields AND still does, ideally we close this quarter at the lows. The pierce in Q3 2013 is not as venomous and the TWO we have now!



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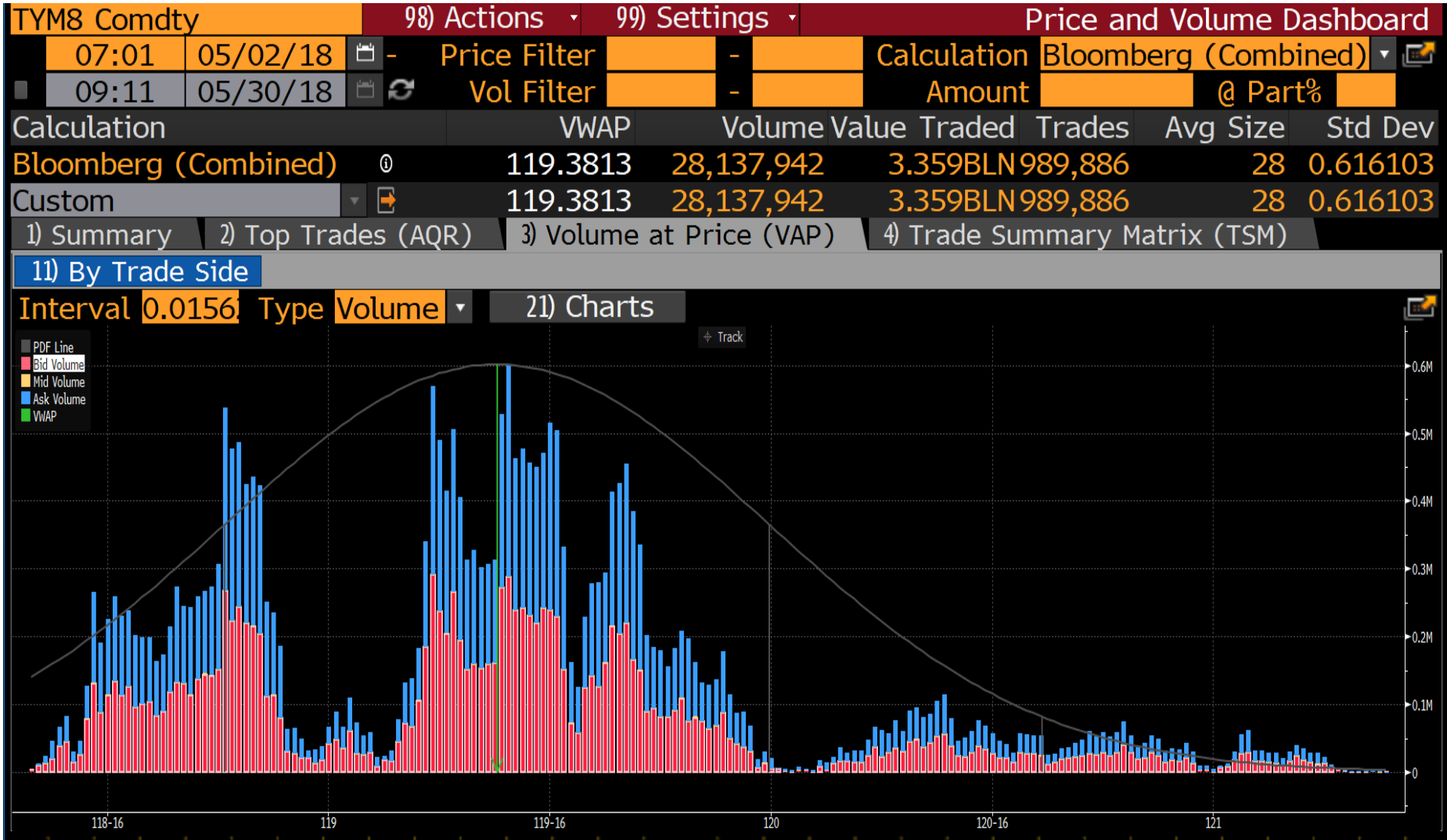


US 10yr daily : We have stalled at the previous high and need to work off the RSI over stretch.

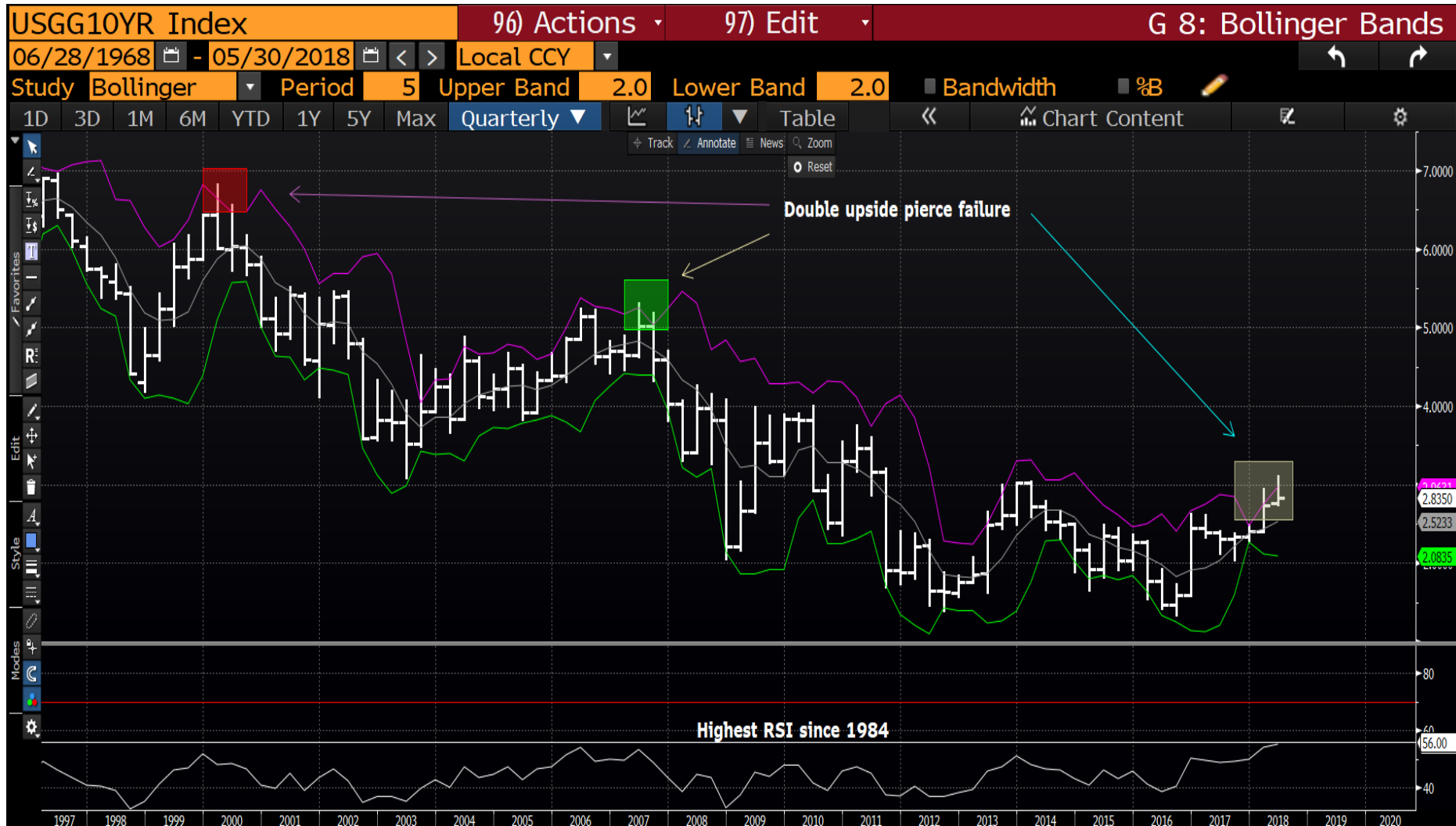


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US 10yr VAP : A slightly improved picture as the US rally has been more STEADY, 120 area starts major support on any DIP.



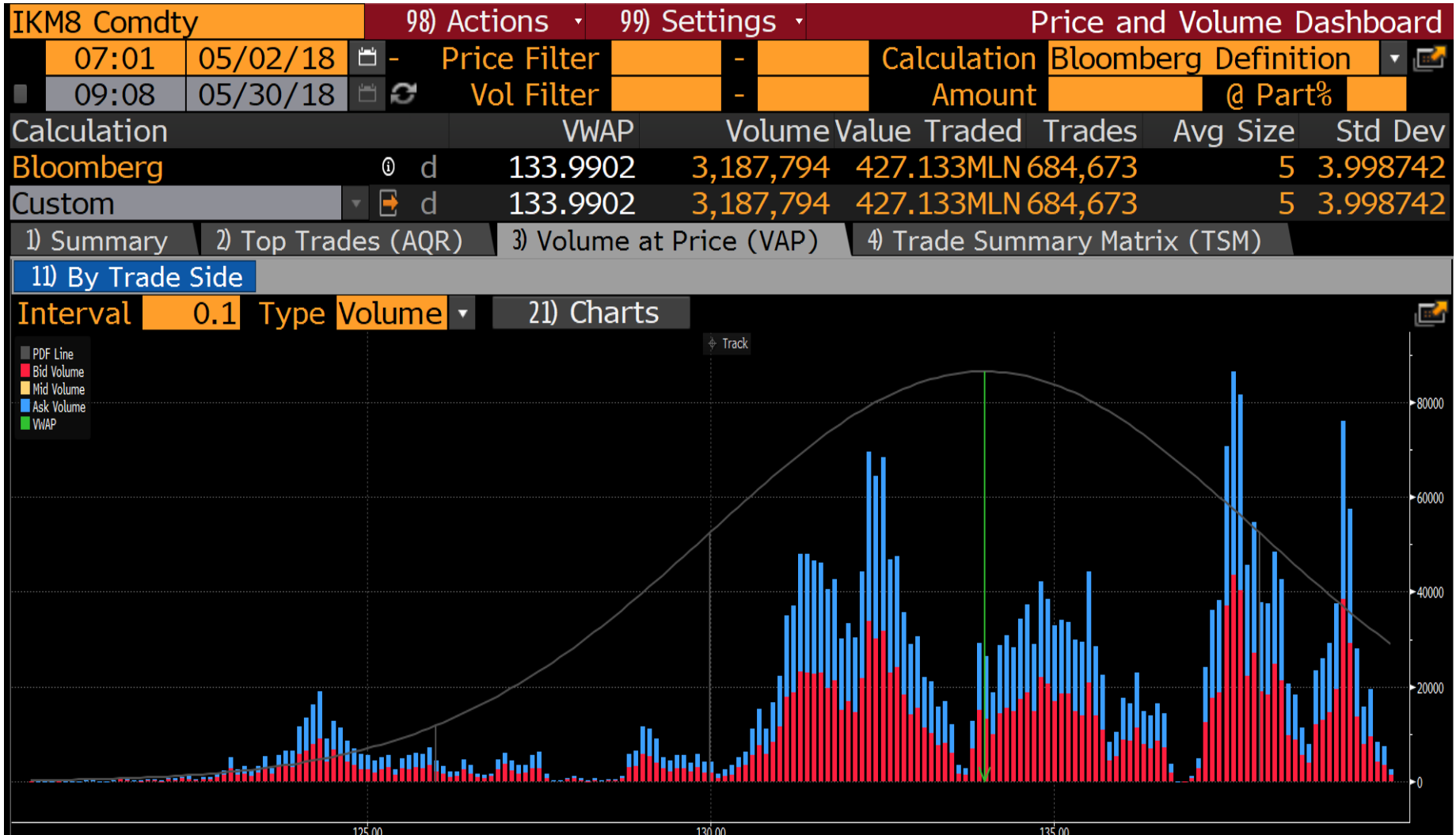
US 10yr yield quarterly : A worthy chart to argue for lower yields given the previous UPSIDE pierce formations. Ideally we can breach last quarters lows to assist an eventual break of 2.5233.



BTP future : Obviously a nasty day aided by tough liquidity but we have FINALLY produced a worthy RSI whilst hitting a 223.6% ret 123.01.



BTP VAP : Sub 131.0 little or no liquidity volume.



EUR daily : We are shy of the 50% ret 1.1448 BUT the RSI is very low similar to ITALY, I would initiate a long EURO down here to replicate any ITALIAN bounce without being embroiled in LIQUIDITY issue if things go wrong.



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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