

**\*\*The perfect storm is COMING, the storm clouds are gathering! So many charts replicate 2007 scenarios.\*\***

**I have elected to send this prior to the quarter-end as I think DISCUSSIONS need to be had. It is also the right time to think about trades to DO, be it as a PLAY or PROTECTION.**

**The views expressed in this piece are ALL based upon HISTORICAL reaction to the LOCATION we are at NOW. The charts used are also of long-term duration thus these signals wont be eroded for some time, hence the WORRY.**

**The MAIN contributors are US yield charts, LOWER yield forecasts with the back drop of the HIGHEST yield RSI expectations. The EURO and EUROPE is a massive concern and I still have equities as a WORRY. I think SOME EM benefits.**

**The dark clouds are forming and may soon become ONE. Liquidity will form another leg to this drama given the high level of mechanisation, with this comes circuit breakers, limits and the OFF button.**

**Today the EURO quietly printed a new low BUT for the TECHNICAL outlook its a KILLER BLOW.**

**The EURO is the first chart and I think EUROPE itself is in TROUBLE, political uncertainty and I believe the DAIMLER story is only the tip of the ICEBERG. We will soon witness unrest and political turmoil. Enough of fundamentals!**

**I HOPE THIS PROMOTES SOME DISCUSSION and am happy to discuss trade ideas. We will forward our own ideas over the lead up to the month end. This is a MASSIVE QUARTER end. I think SOME EM benefits.**

**I guarantee these views wont sit right with many BUT worth noting historically.**

EUR quarterly : These are a worrying set of BARS, as can be seen they highlight troubled times for the EURO. The interesting fact is NO ONE has mentioned the LOWER highs since 2009. NOT a positive chart for me.



21/06/2018

DXY quarterly : We have seen a great HOLD of both the 38.2% ret 89.921 and 100 period moving average. A close above the 50% ret 95.859 will be a massive statement.



21/06/2018

# US 30yr yield quarterly : Does history repeat itself? We have a worrying trend lower and the latest double PIERCE formation is SIMILAR to 2007!



US 10yr quarterly : The worrying formation here is the 50 period moving average 2.9069, twice before we have FAILED and subsequently in some style! This time though the RSI is at 1984 levels.

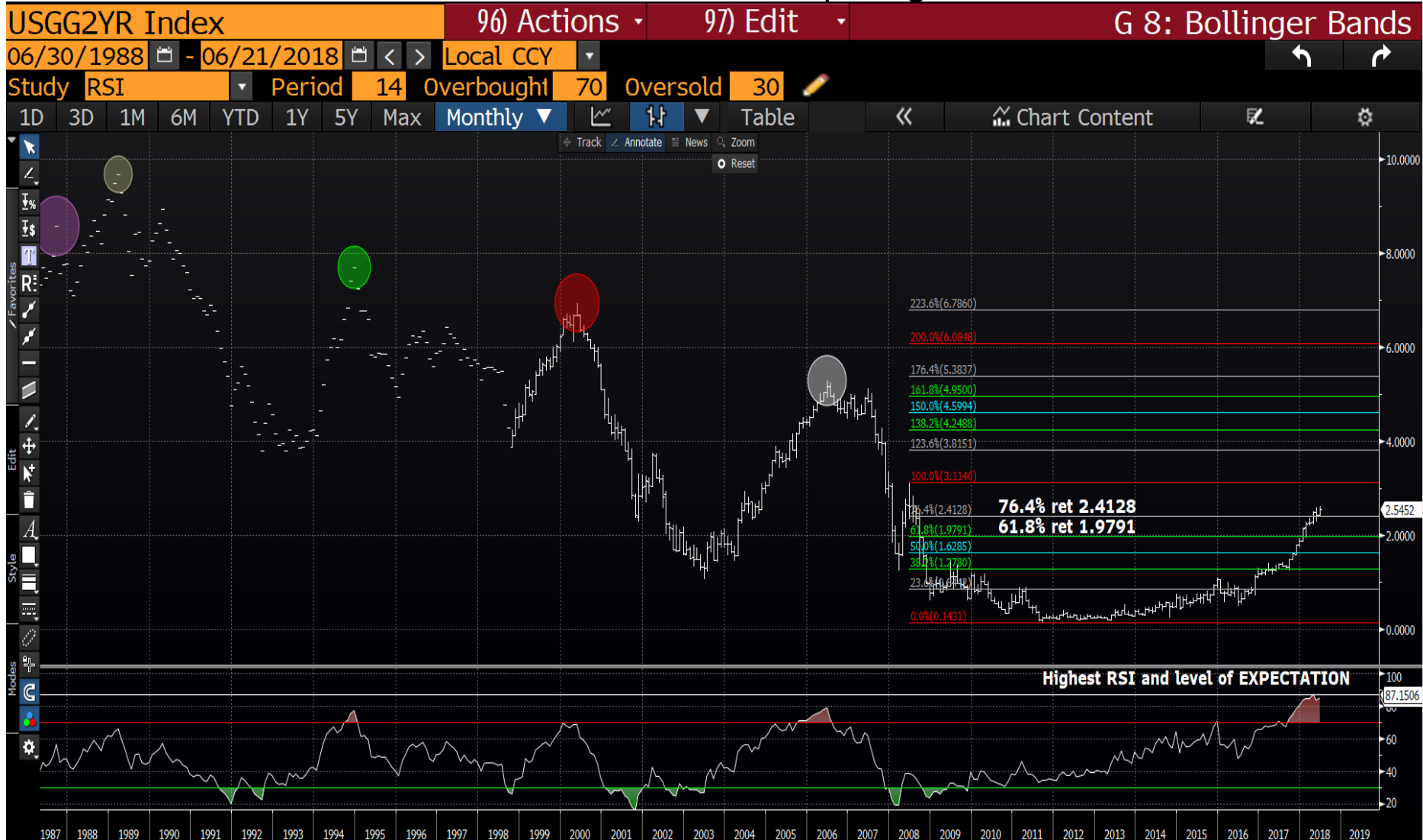


21/06/2018

# US 5yr yield monthly : Another worrying historical chart formation .



US 2yr yield monthly : The RSI signifies that expectation of HIGHER rates is at an ALL time high and subsequent disappointment could be vicious! Once this does reverse the curves will witness a MAJOR steepening.



German 10yr yield quarterly : I have used this chart previously to forecast the initial yield drop. Currently we are inside the yield channel and the last piece of clarity will come if we close and the yield lows. The only thing lacking is the RSI.



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UK 10yr yield monthly : We are firstly sub a reasonable 50 period moving average 1.549 and the 2008 trend line 1.349. Another RSI disappointment.



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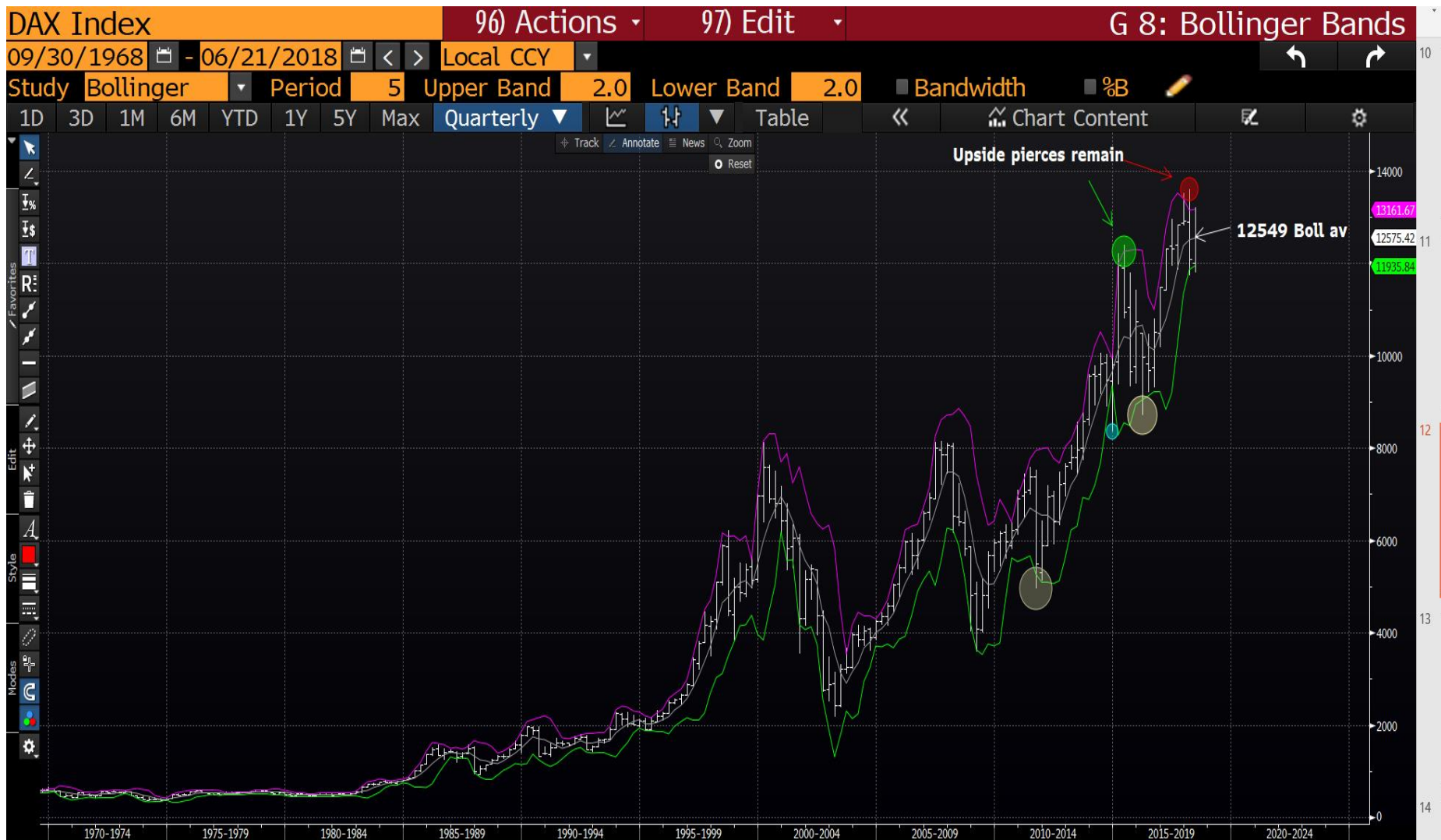
Italian 10yr yield daily : Italy has already shown us its MAJOR issue i.e. LIQUIDITY. I feel this will drive yields significantly higher as the EURO depreciates.



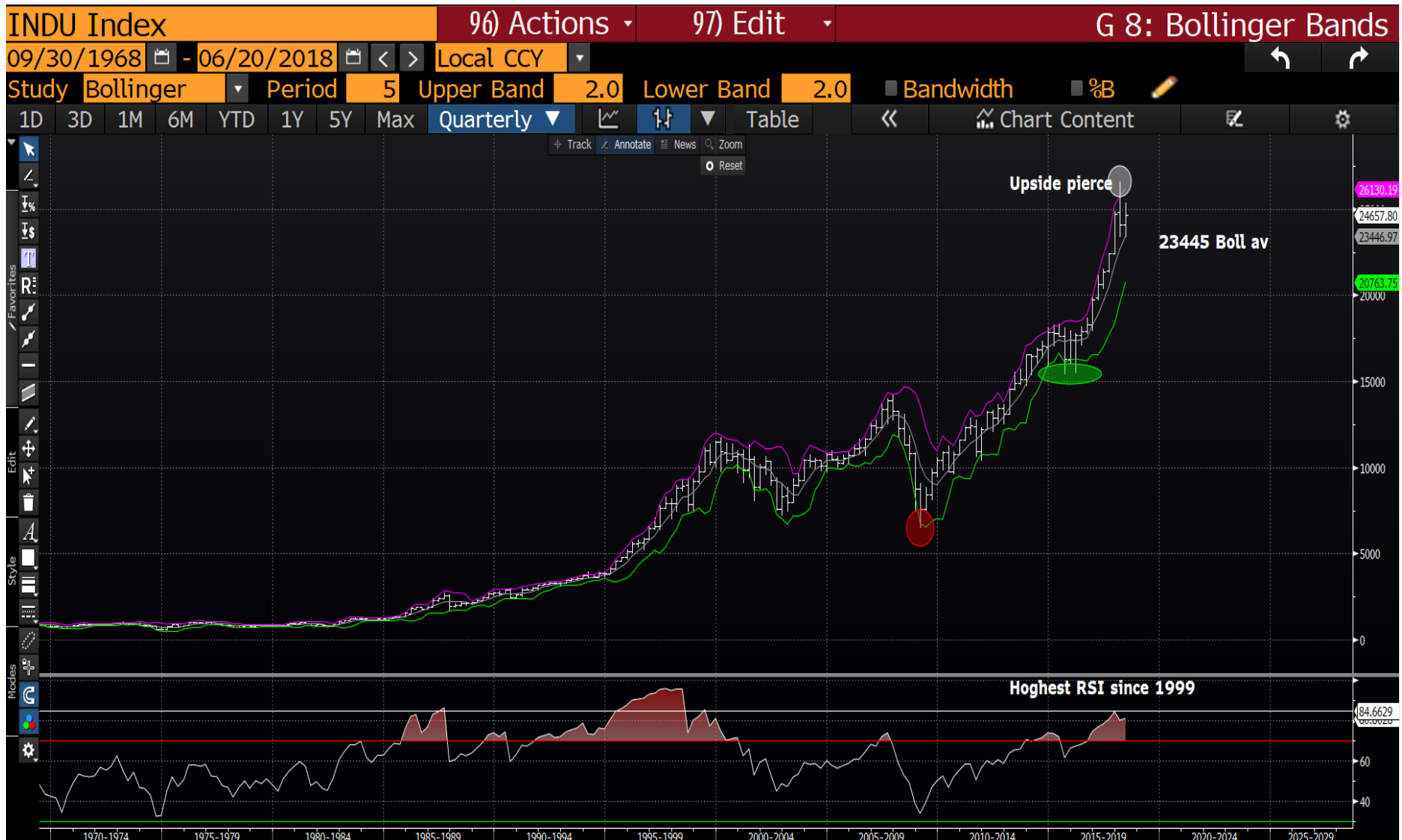
Spanish 10yr yield daily : We have held the 61.8% ret 1.272 and again think “liquidity” will be its downfall to HIGHER yields.



DAX quarterly : This could be the PERFECT top formation and SIGNAL the end of the DAX rally. A late low close at quarter end wont be positive and I feel todays Daimler news will be ECHOED ELSEWHERE.



DOW quarterly : The RSI we haven't seen since 1999 and the LATEST UPSIDE pierce has remained! A top forming?



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US 5-30 monthly : US curves have rarely been this FLAT given the HIGHER RATE expectations at the frontend BUT what if expectation TURNS to DISSAPOINTMENT. Difficulty has been catching the TURN, BUT don't forget to do. We have many years of steepening ahead of us.



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US 10-30 curve monthly : We are holding ahead of the MULTI YEAR 76.4% ret 7.545 and the RSI is the LOWEST EVER!!!!



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South African 9yr yield daily : We are attempting to STALL against the 61.8% ret 8.923 and lofty RSI.





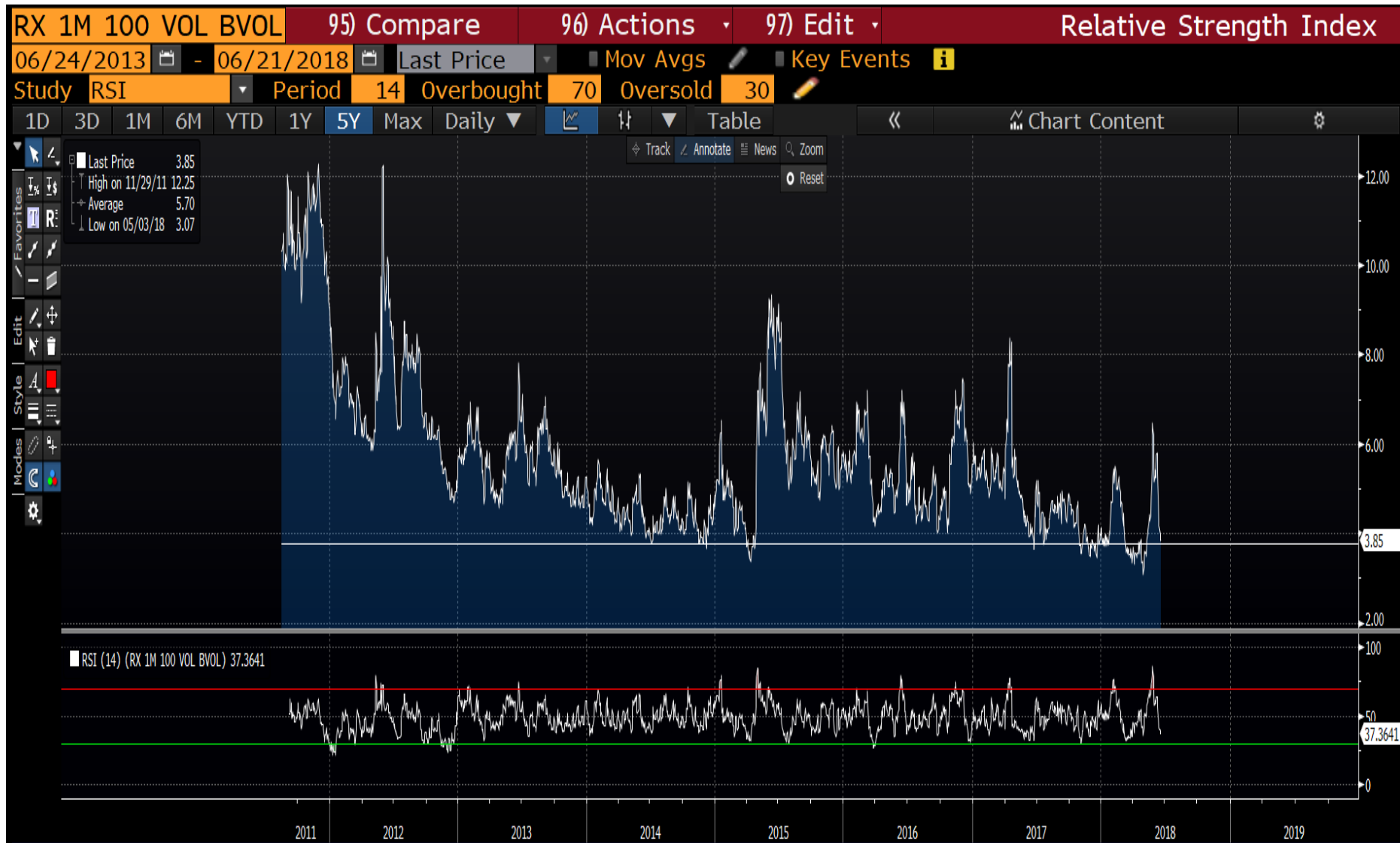
Brazilian 10yr yield weekly : I mentioned this as a BOND BUY yesterday firstly aided by the 61.8% ret 12.037 yield hit and secondly the RSI.



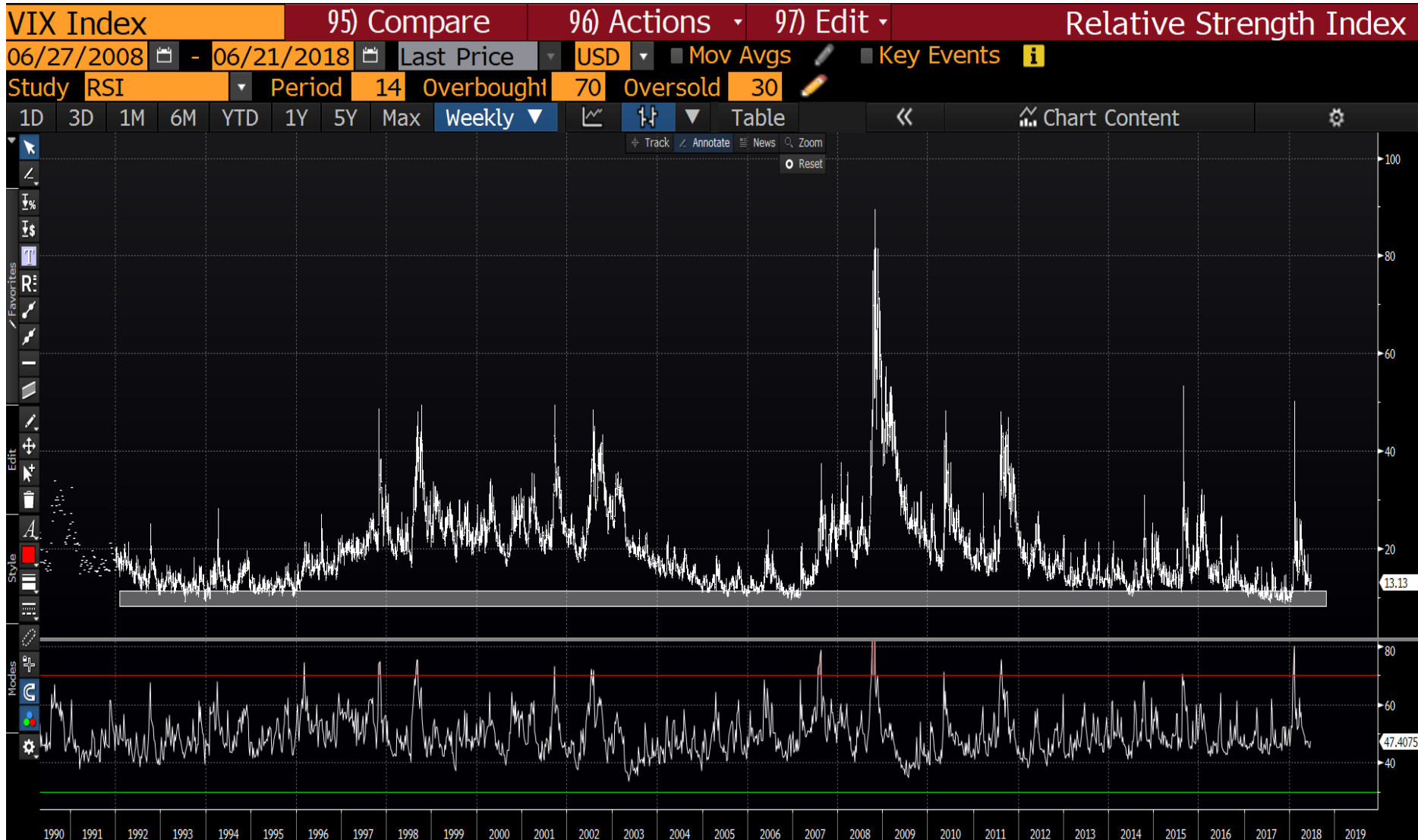
Mexican 10yr yield weekly : We are struggling against the multi year 50% ret 7.934.



Bund vol daily : We are at reasonable lows where I think it is worth owning if the STORM breaks!



VIX weekly : Again historically low VOL levels so could be worth owning!



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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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