

BONDS and EURO UPDATE : Despite a very sideways market of late the YIELD LOWER call remains ETCHED in the long-term charts.

As LABOURED previously the “writing is on the wall” ALREADY relating to direction, ALL warnings signs emanate from MONTHLY and QUARTERLY charts, that won’t change.

The new month means many upside pierces are now ETCHED in history and some are now sub multi year MOVING AVERAGES.

Chart 3 US 30yr yield, DOES HISTORY REPEAT ITSELF, IF so yields are one way for a long while.

****LIQUIDITY : NOT TO BE OVERLOOKED****

Liquidity certainly does now seem to be an issue as Italy remains void of any decent cash flow and the futures ranges are extensive on light volume.

US 30yr yield quarterly : We have already breached last months low and looks like we will FALL AWAY as this month progresses. The trend line is much closer now at 2.7025.



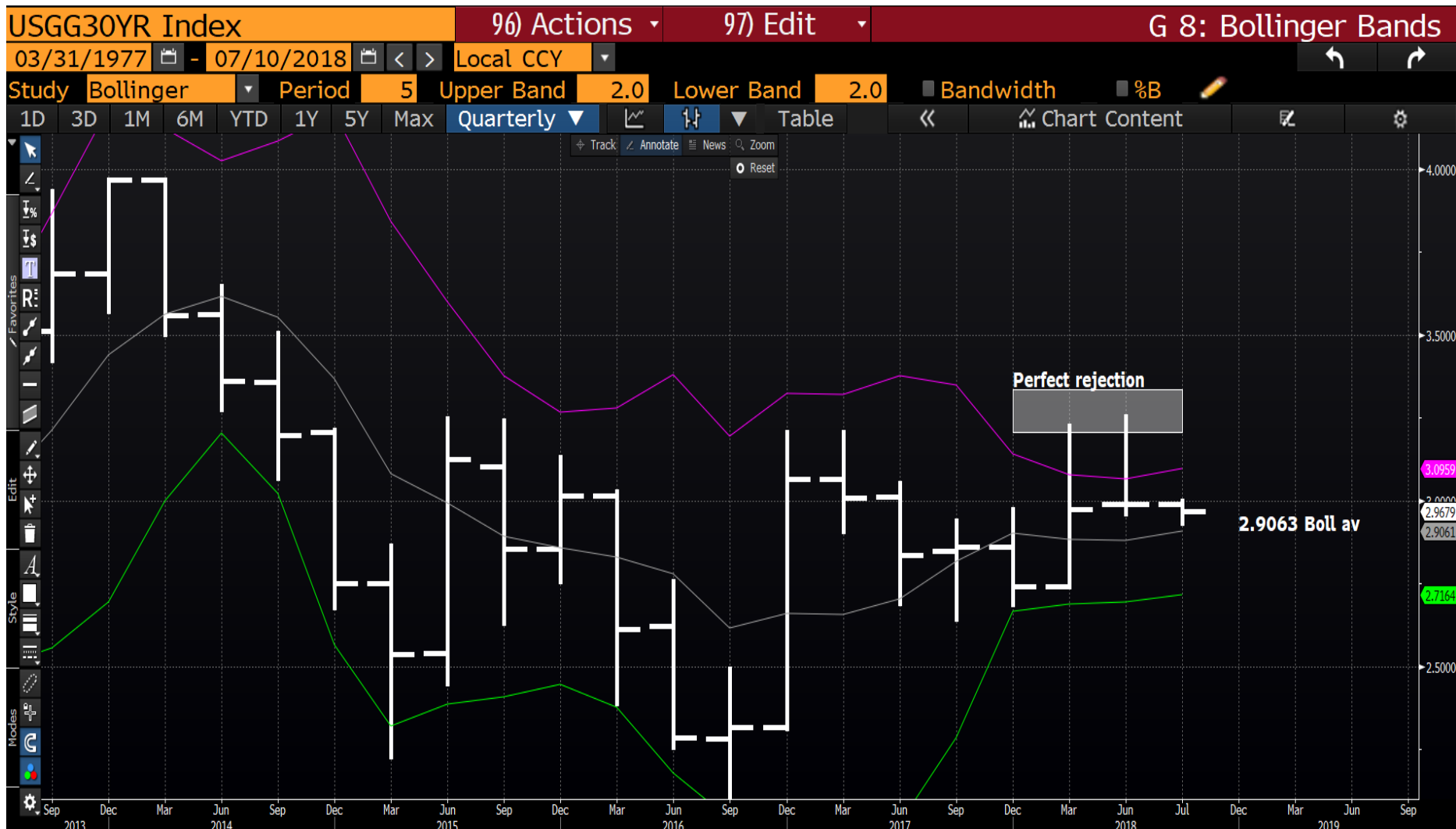
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US 30yr yield quarterly : HISTORY IS ABOUT TO REPEAT ITSELF? ON ALL previous occasions yields have dropped and especially associated with DOUBLE UPSIDE PIERCES, as NOW! Any move sub the bollinger average 2.9063 will be negative and initiate a trend LOWER.



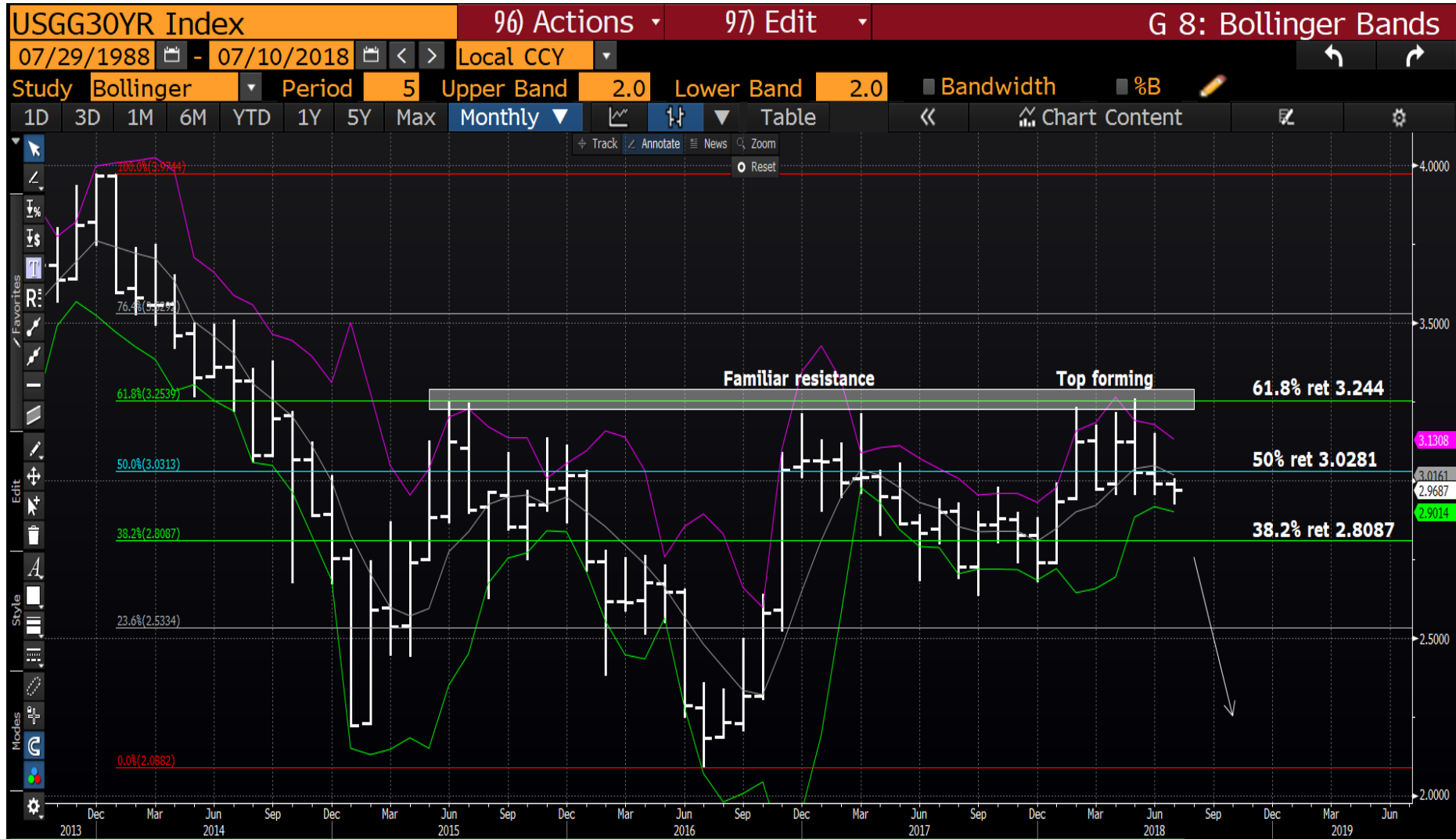
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US 30yr yield quarterly : This “blow up” highlights 2 VERY nasty upside rejections and a breach of the 2.9063 bollinger average will help. The pierces will not go away so any yield bounce will be “window dressing” before the DROP. I would still FADE any POP to 3.09 the bollinger top.



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US 30yr yield monthly : The MAJOR 5 month RANGE has been breached and we are well on the way to much lower yields. THIS WILL ONLY BE THE START! We need to remain sub the 50% ret 3.0281.



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US 30yr yield weekly : Ideally we close the week sub the 76.4% ret 2.9485 so any subsequent breach will be a significant statement.



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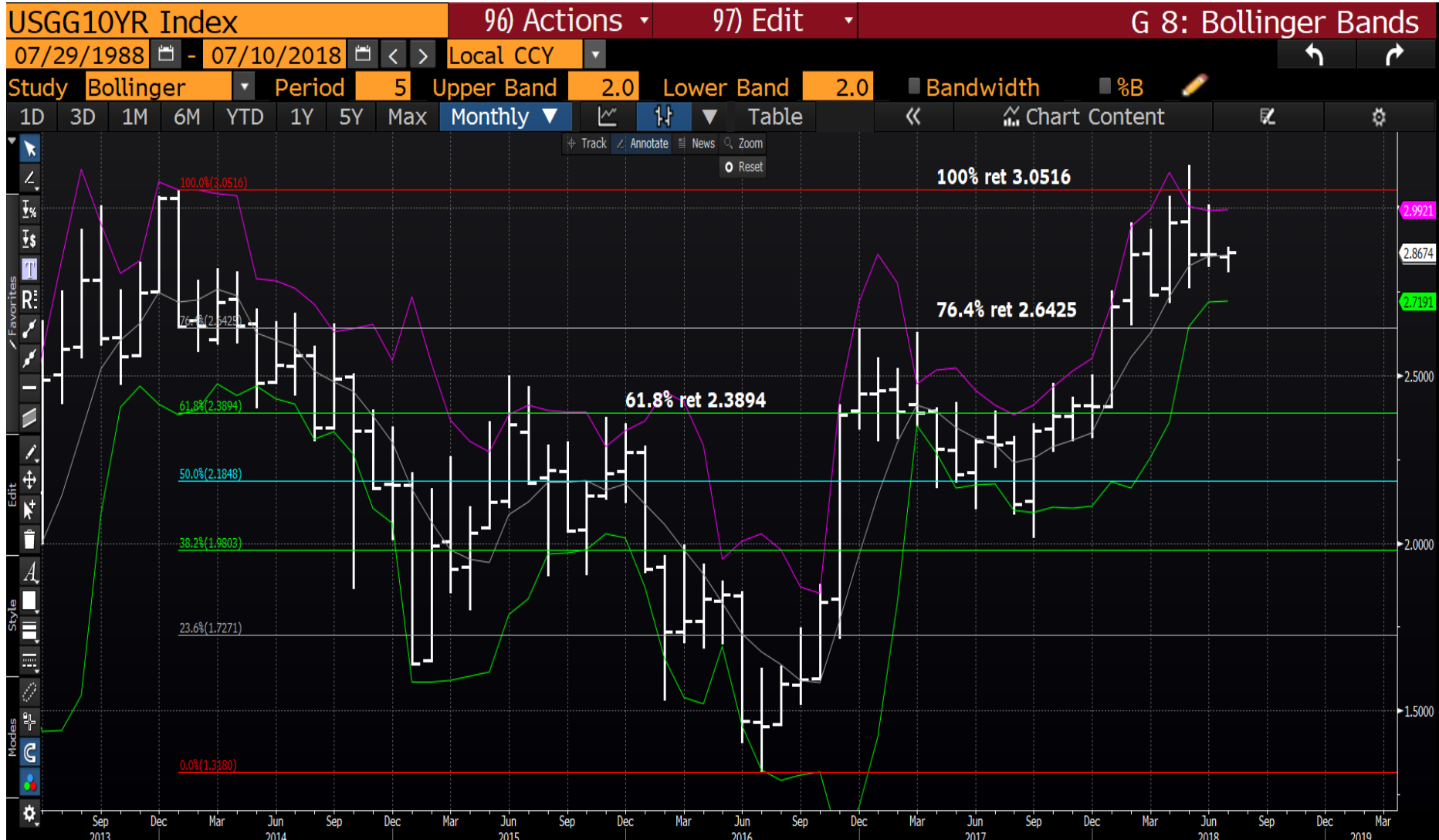
US 10yr yield quarterly : The RSI dating back to 1984 is not going to go away, thus the BIAS still remains for lower yields. Another PERFECT YIELD FAILURE is forming! We are now sub the moving average 2.8474 poised to head much lower.



US 10yr yield quarterly : This is going to become the PERFECT failure? This is poised to be the PERFECT failure at the 2.8474 38.2% ret. Another chart where if HISTORY REPEATS ITSELF, yields will be significantly lower.



US 10yr monthly : We have made a new low on last month BUT unlike the US 30yr it doesn't carry the same enormity of breach.



US 5yr quarterly : To many, this remains a positive chart i.e. above the moving average and trendline BUT the RSI will not diminish given it is of 1982 proportions. Also once we fail the moving average 2.1391, there are numerous example of what has happened before.



US 5yr monthly : A MAJOR statement as we are now back in the LONGTERM trend channel (2.7847), the RSI has A LOT of unwind potential. Key break would be SUB the MOVING AVERAGE 2.4982.



US 5yr monthly : Another perfect formation looming, we have stalled against the trend channel with significant room to head lower. Sub the moving average 2.4891 will help.



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 : The RSI speaks for itself and we look close to STALLING, sub the 76.4% ret 2.4128 is KEY.



Generic German 10yr quarterly : We now have 2 SOLID UPSIDE PIRECES that are etched in history, this will form an explosive bearish tone for yields. Whilst teasing the multi year channel this is forming a very nice-tidy chart. COULD it be as simple as this?!



Generic German yield daily : We are teasing the 50.0% ret 0.302 and targeting the 61.8% ret 0.182. A breach of the 61.8% ret 0.182 will trigger major stops.



UK 10yr monthly : We are now back below the 2008 trendline 1.316 and should head lower in yield. A KEY level to fade on any bounce! ANOTHER TIDY chart.



UK 10yr yield daily : We have key resistance at the 50% ret 1.307, sub the 61.8% ret 1.217 will be key.



DBR 46 daily : We are struggling at the 76.4% ret 138.096 and the RSI is LOFTY. Cautious here.



Italian generic 10yr daily : We have held the 38.2% ret 2.496 but the chart leaves the door wide open for much higher yields. I think liquidity will add to the yield rally.



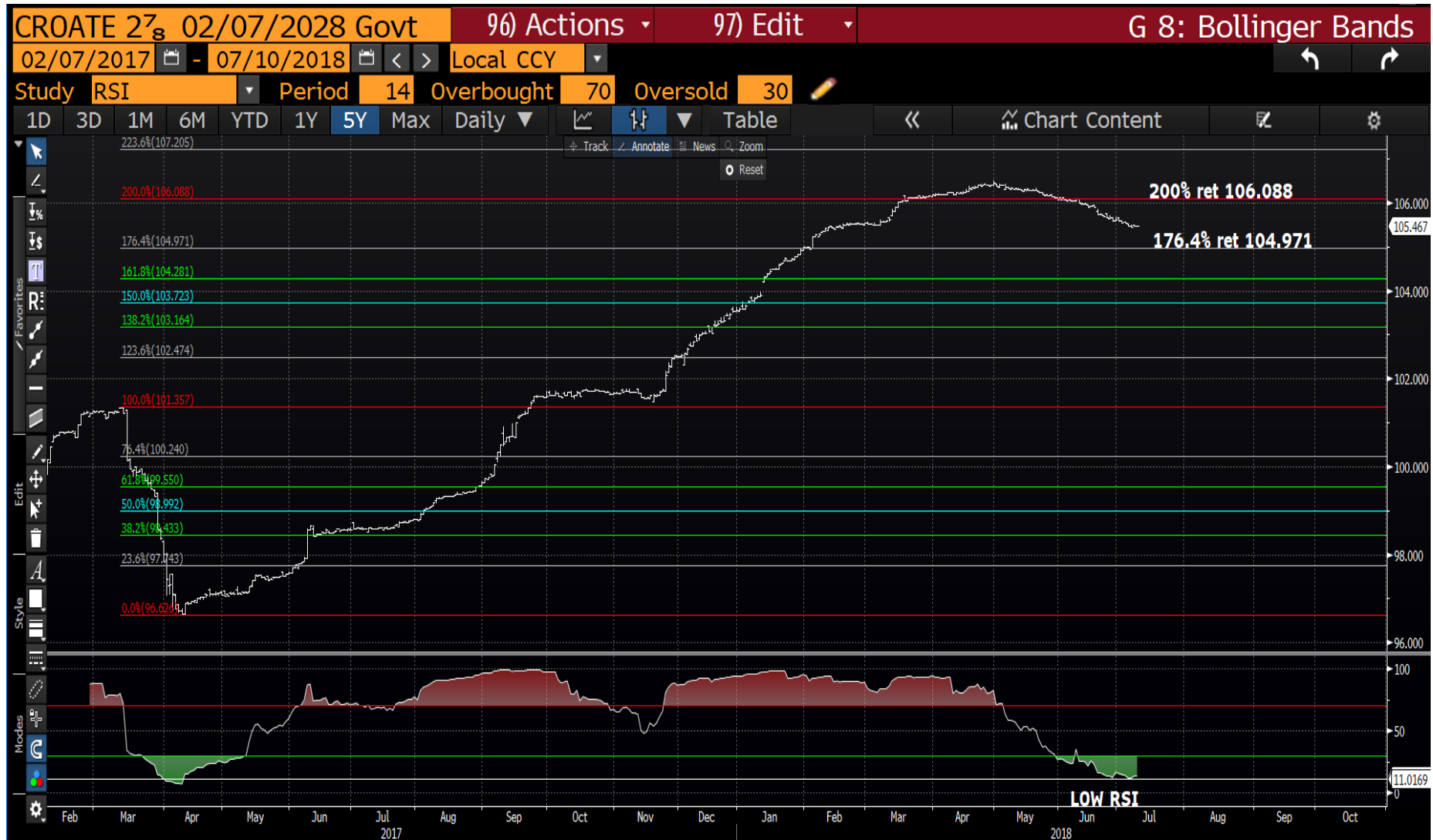
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Portugal 27's : For the first time in a long while PGB is a worry but the RSI is neutral, hence not included.



**Croatia 28' daily : The RSI is now VERY low but we have dipped below the 200% ret 106.088. We should hold here given the RSI.



EUR USD quarterly : We have opened at the close of the last quarter, hopefully we can just head lower directly from here, in a similar fashion to last quarter. The initial target may be the 50% ret 1.1241 thereafter it could be the 61.8% ret 1.0109.



EUR USD daily : A KEY DAY TO FAIL. If we can close sub the 23.6% ret 1.1723 then this will kick start a greater move lower and put us back ON TREND.



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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