

BONDS and EURO UPDATE : I do think today is the day the YIELD DROP ACCELERATES! Bunds are leading the CHARGE FULLY assisted by the weakening EURO and GILTS. Although we have hit the summer LULL and VOL is dropping, REMAIN on high alert as VOL COULD just explode, especially if the EURO maintains todays TACK. ** EUROPE todays FOCUS **

**** There are some VERY SIMPLE charts that are creating NEAR PERFECT formations for MUCH lower yields. ****

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 UK is now on the RADAR given we have a now futures HIGH and YIELD LOW, 1.217 61.8% ret the level to breach.

Chart 7 US 10yr yield, DOES HISTORY REPEAT ITSELF, IF so yields are one way for a long while.

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.

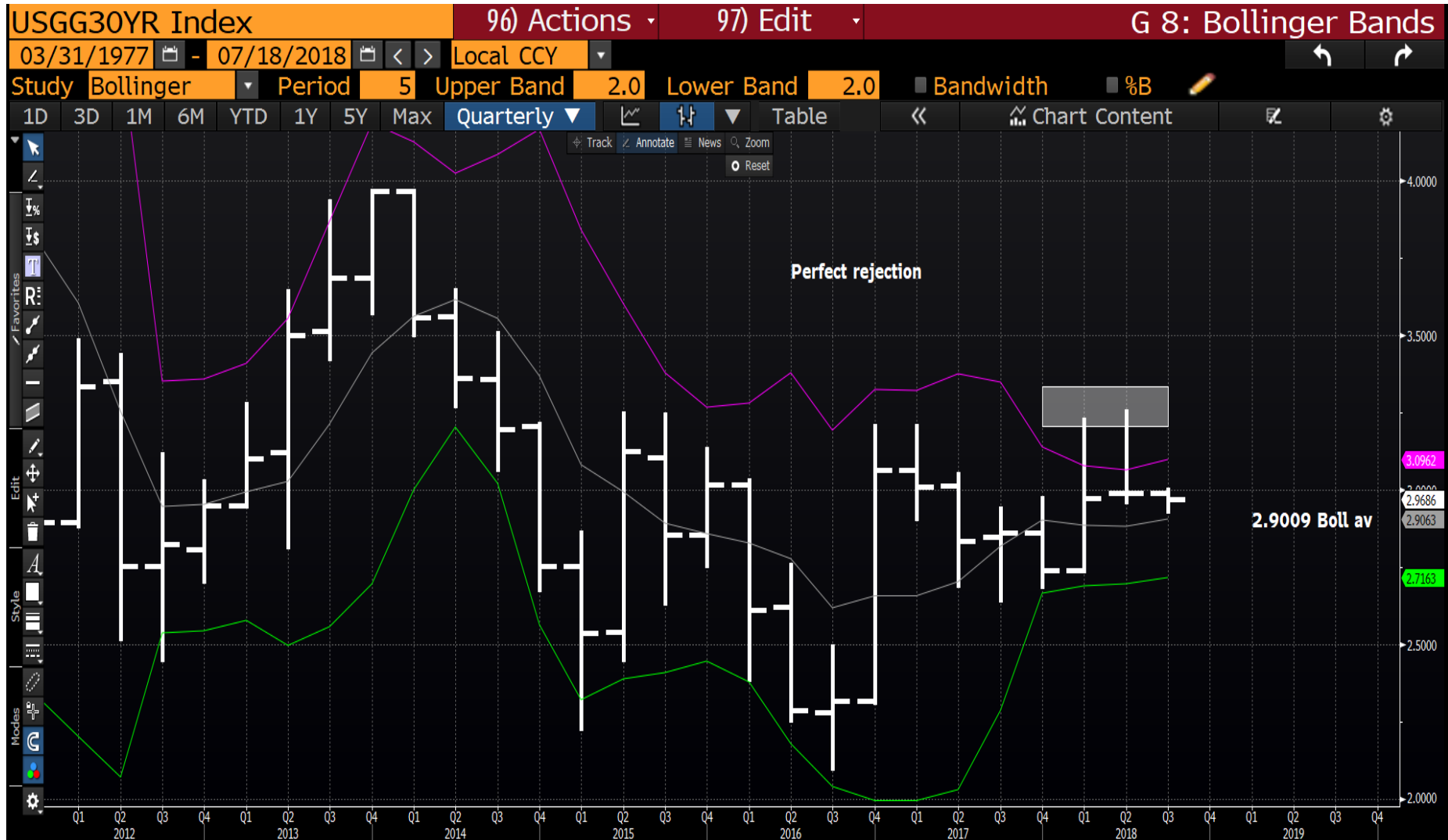


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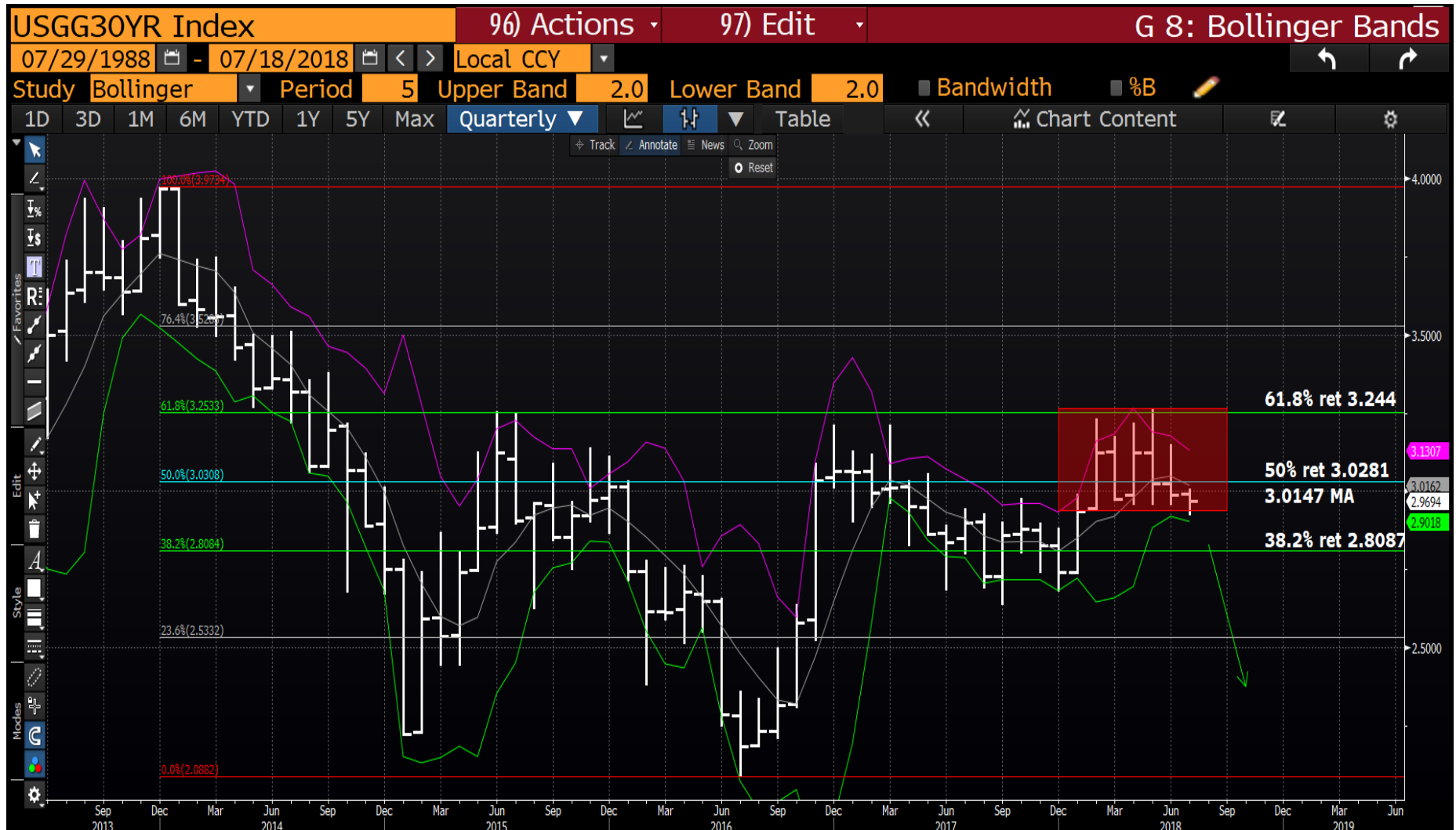
US 30yr yield quarterly : HISTORY IS ABOUT TO REPEAT ITSELF? ON ALL previous occasions yields have dropped and especially associated with DOUBLE UPSIDE PIERCES, as NOW! Any move sub the bollinger average 2.9009 will be very very negative.



US 30yr yield quarterly : This “blow up” highlights 2 VERY nasty upside rejections and a breach of the 2.9009 bollinger average will help. The pierces will not go away so any yield bounce will be “window dressing” before the DROP.



US 30yr yield monthly : We HAVE breached the 5 month RANGE and are well on the way to much lower yields. THIS WILL ONLY BE THE START! Sub 2.8087 seems an EASY and DISTINCT prospect. The bollinger average is VERY KEY resistance 3.2081.



US 30yr yield weekly : We are edging lower but as yet the big stops have alluded us. A close sub the 76.4% ret 2.9485 will be helpful.



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 : Could this be 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.



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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. The bollinger average 2.85 is offering reasonable resistance.



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.



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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, ALOT.
The RSI is not going to go away.



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 have seen a rapid about turn and hopefully can breach the 50% ret 0.302.



Bund daily : We posted a new high last week and therefore consider we are just in a holding pattern, poised to move higher shortly. We are approaching a MAJOR decision point, HOLD the trend and make a new HIGH!



UK 10yr monthly : Another perfect chart formation! We are back below the 2008 trendline 1.316 and yields should head a lot lower. Could this be the perfect trendline failure!



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UK 10yr yield daily : We have failed the resistance at 1.307 50% ret, sub the 61.8% ret 1.217 will be start triggering STOPS. Post todays move a breach and close sub the 61.8% ret will be a BIG STATEMENT.



Gilt daily : We have breached the previous high 123.49 and CTA's to should be adding. Ideally we close above the previous s high.



DBR 46 daily : This has been a VERY trending BOND and has performed WELL.
Hopefully we can breach the 138.628 high and trigger stops!



Italian generic 10yr daily : We are facing a MAJOR test in the form of the 38.2% ret 2.496.

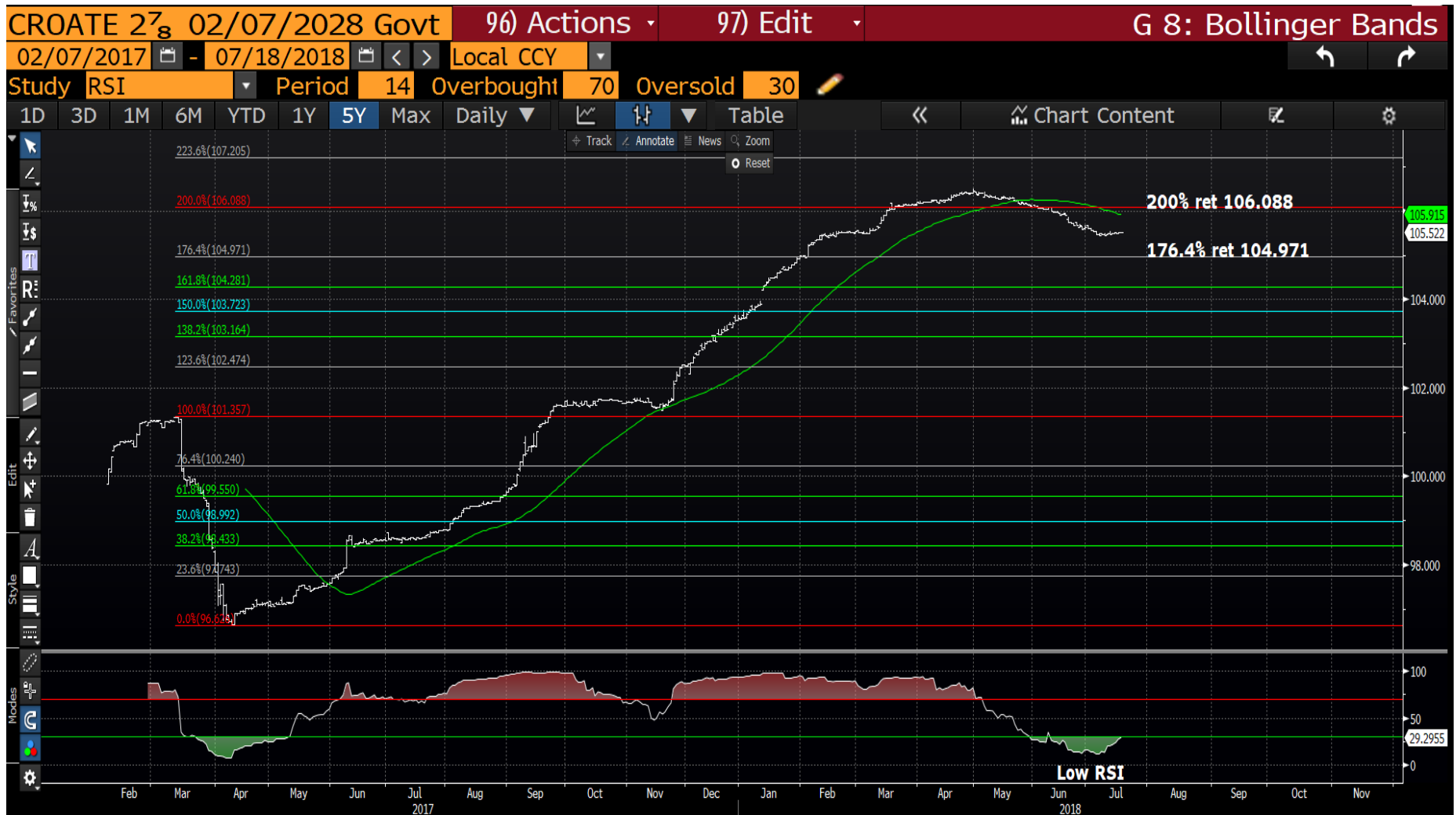


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Portugal 27's : A very sideways market but still holding.



**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. We remain in very much negative territory!



EUR USD daily : Some may argue we are in a RANGE still BUT the long-term chart is bearish and to me this chart is a FAILING set of highs. We have breached the latest low 1.1613 and continue to target 1.1509 low. Hope is today is ONE WAY traffic i.e. lower.



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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