

BONDS and EURO UPDATE : PRE NON FARM levels to watch for, realistically though I regard the number as a NEWS event to prompt change/yields lower. 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 now have the previous 2 quarters upside rejection etched in history. The trend line is much closer now at 2.7025.

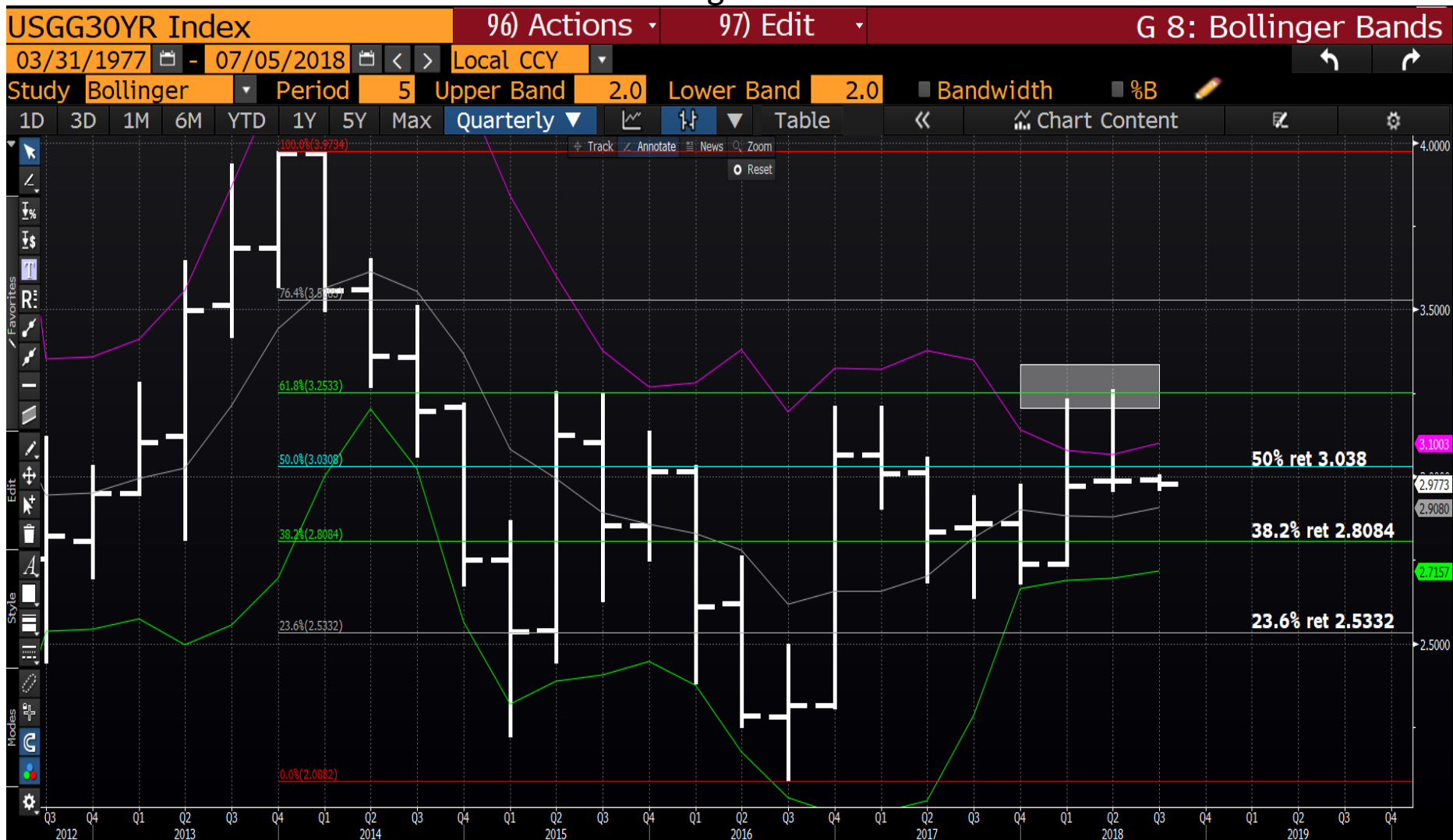


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US 30yr yield quarterly : Does history repeat itself? ON ALL previous occasions yields have dropped and especially associated with DOUBLE UPSIDE PIERCES, as NOW! Any move sub the bollinger average 2.9082 will be negative and initiate a trend LOWER.

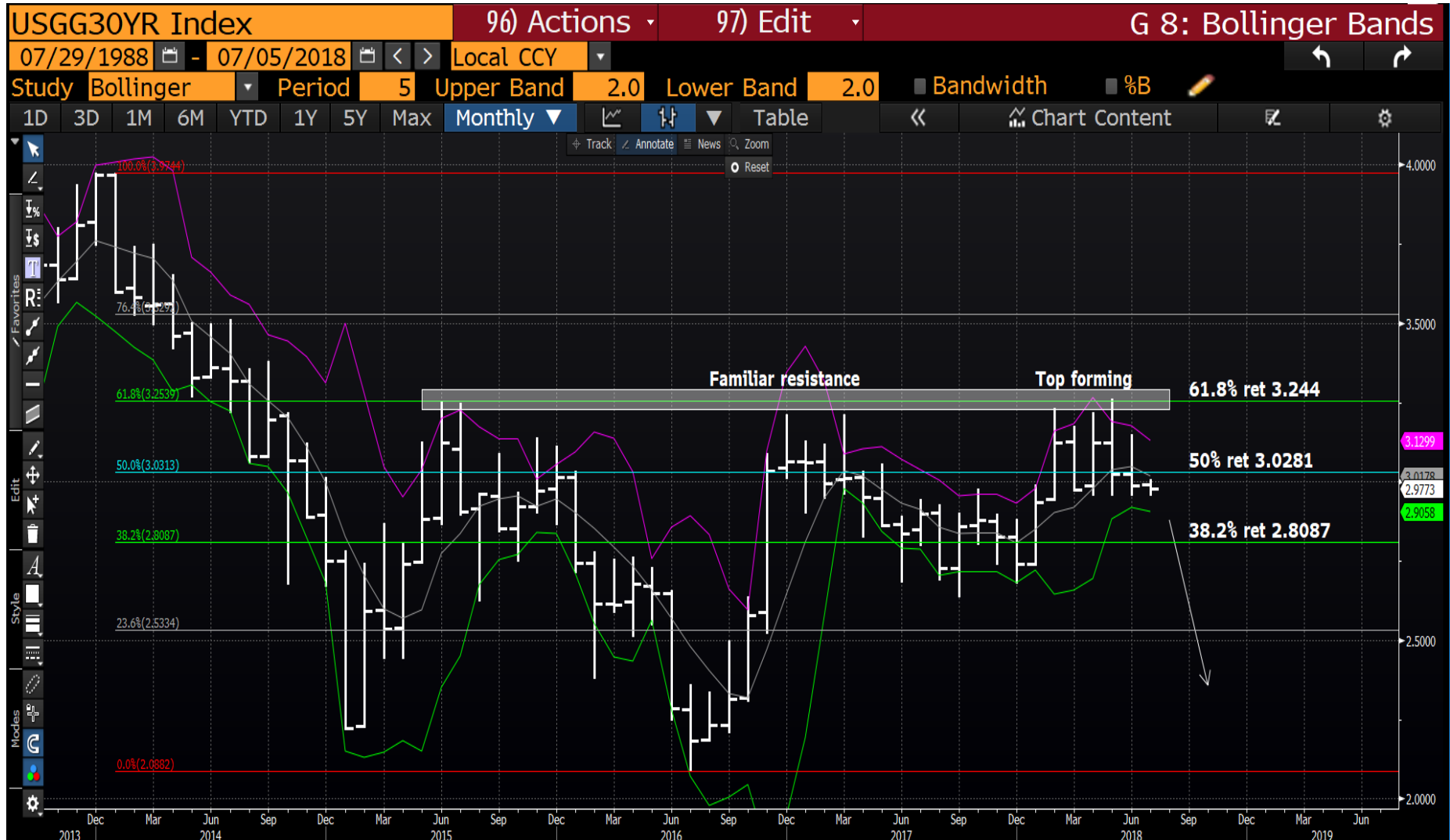


US 30yr yield quarterly : This “blow up” highlights 2 VERY nasty upside rejections and a breach of the 2.9080 bollinger average will help. SUB 2.8084 38.2% ret will be a major reversal and STOP level for many. The pierces will not go away so any yield bounce will be “window dressing” before the DROP.



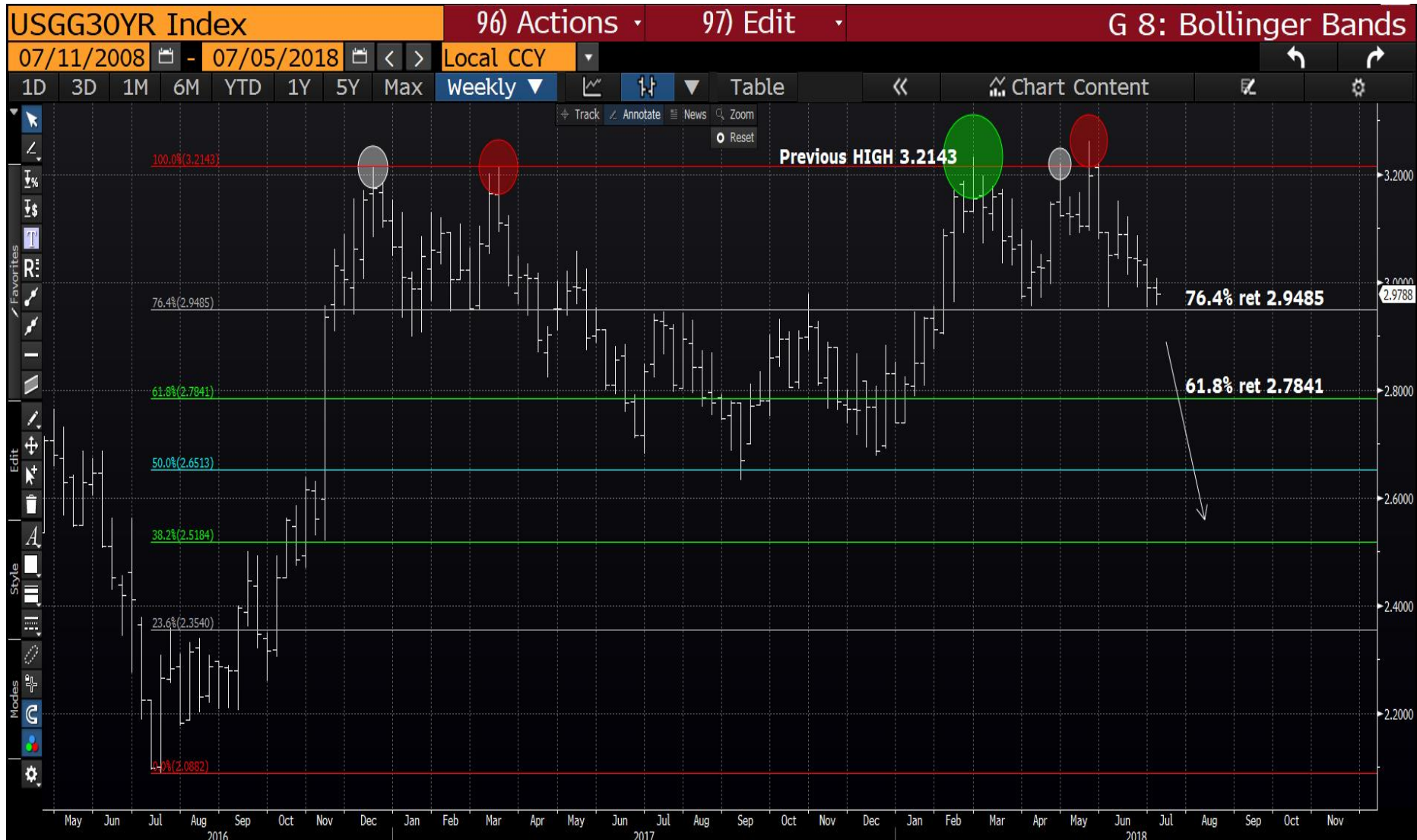
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US 30yr yield monthly : For many this is STILL regarded as a RANGE, however for me it signals a MORE major yield TOP. A breach of the 38.2% ret 2.8087 will confirm a reversal. THIS WILL ONLY BE THE START!



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US 30yr yield weekly : We have recognised 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. We are now SUB the VERY reliable 50 period moving average 2.8665. 2000 and 2007 very good examples of what has gone before!



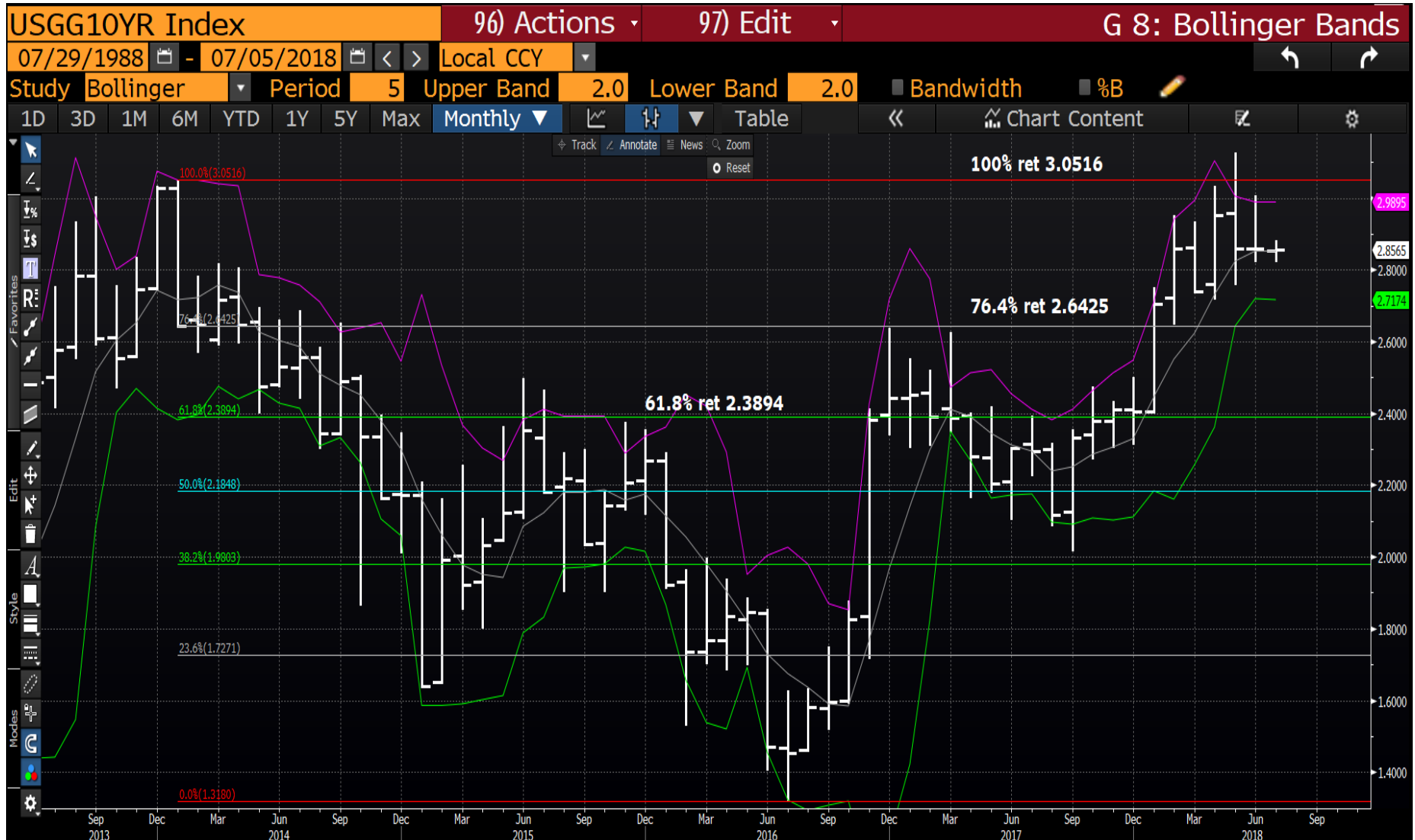
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US 10yr yield quarterly : Could this be the PERFECT failure? We are at an optimum location for any new bond longs given the stop only need be above the 2.8665 moving average. Another chart where if HISTORY REPEATS ITSELF, yields will be significantly lower.



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US 10yr monthly : Another top potentially in given the PIERCE and sub the 76.4% ret 2.6425 will confirm that.



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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 2.4981.



US 5yr monthly : An extremely NEAT formation SUB the MULTI YEAR channel TOP. This WOULD BE a significant rejection if we FAIL here. Key breach will be of the MOVING AVERAGE 2.4981.



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.



US 2yr monthly : We have yet to reverse DESPITE the RSI. Am keen to watch this chart as it has a lot of ACCELERATION potential if 2.4128 is breached.



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?!



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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.



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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!



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UK 10yr yield daily : We have key resistance at the 50% ret 1.307.



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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.

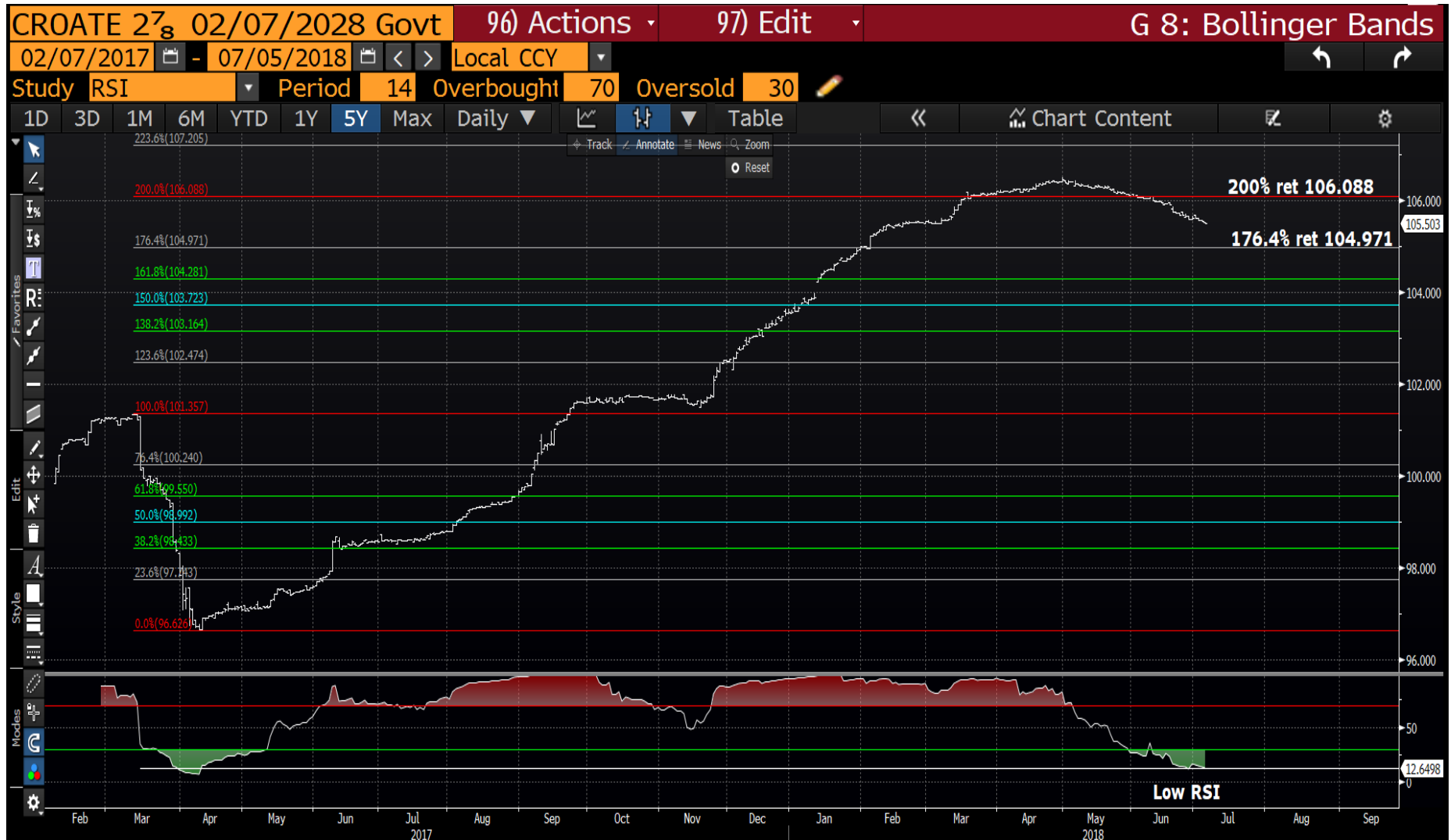


Portugal 27's : For the first time in a long while PGB is a worry but the RSI is neutral, hence not included.



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**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 : If this is the biggest and best bounce the EURO can muster then this is a VERY WEAK market!



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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