

BONDS UPDATE : Yields continue to grind lower and in most cases based on the LONGTERM chart formations. Recent yield recoveries should now be FADED especially BUNDS.

**** BUND TRADE IDEA ****

Bunds have stalled but its time to BUY as the stop is tight and momentum for lower yields remains :

Ref RX Z8 160.08

Buy RXV8 162.50/163.50 Call spread @ 3 ticks 4 Delta

Or

Buy RXV8 162.00/163.00 Call spread @ 5 ticks 6 Delta

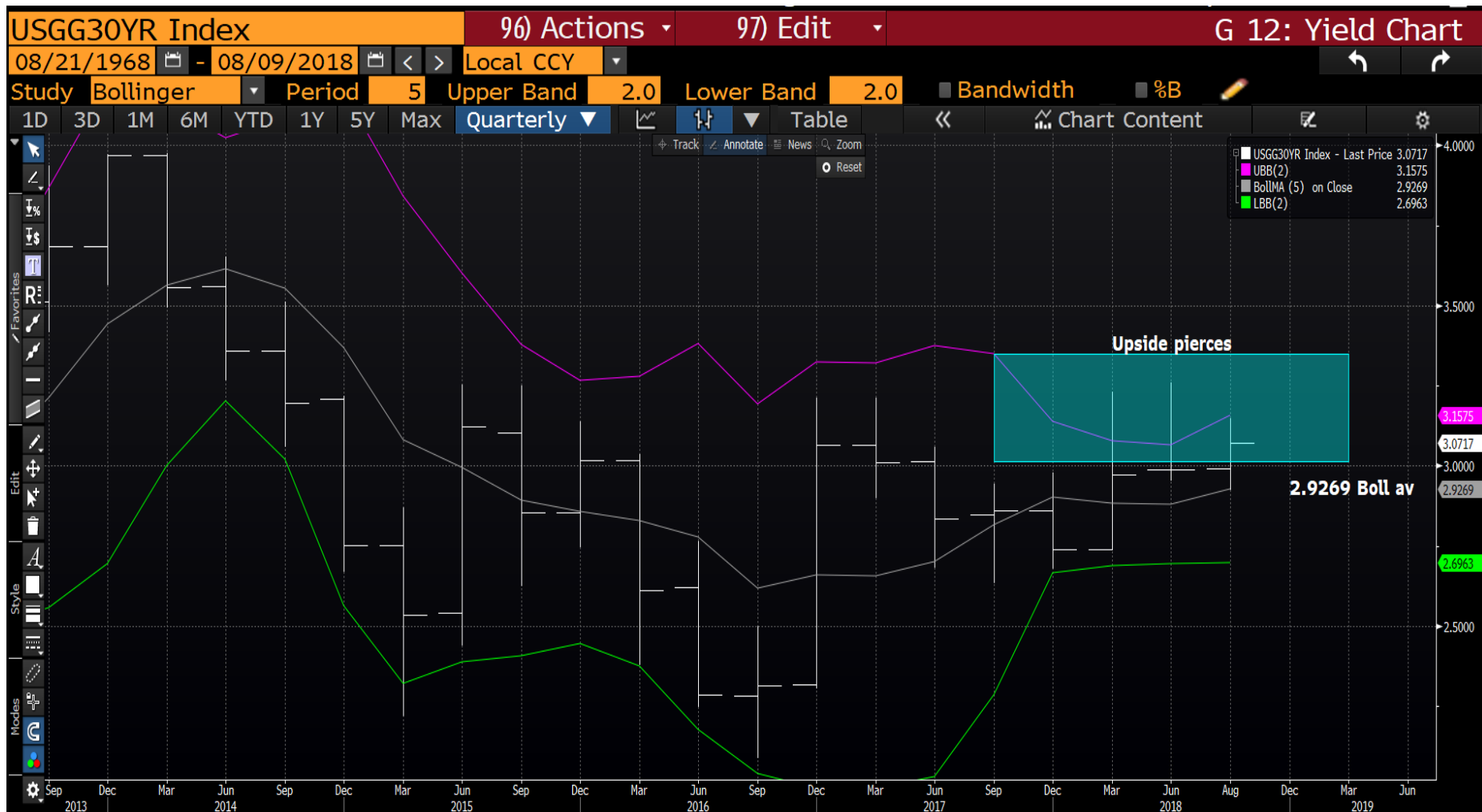
****Stop all positions sub 159.40 initially.****

Feel free to discuss or ask for FIRM prices.

US 30yr yield quarterly : We continue to REMAIN sub the 3.1676 moving average and history can as we know repeat itself? The resistance is obvious and STANDING FIRM, seems one solution to this and its yields LOWER.



US 30yr yield quarterly : A SIGNIFICANT chart as we now have 2 VERY nasty upside pierces which wont be eradicated unless we breach the highs, maintaining the YIELD LOWER call. I am hoping we head back toward the bollinger average 2.9091. Worth noting we do still have a new low on last quarter.

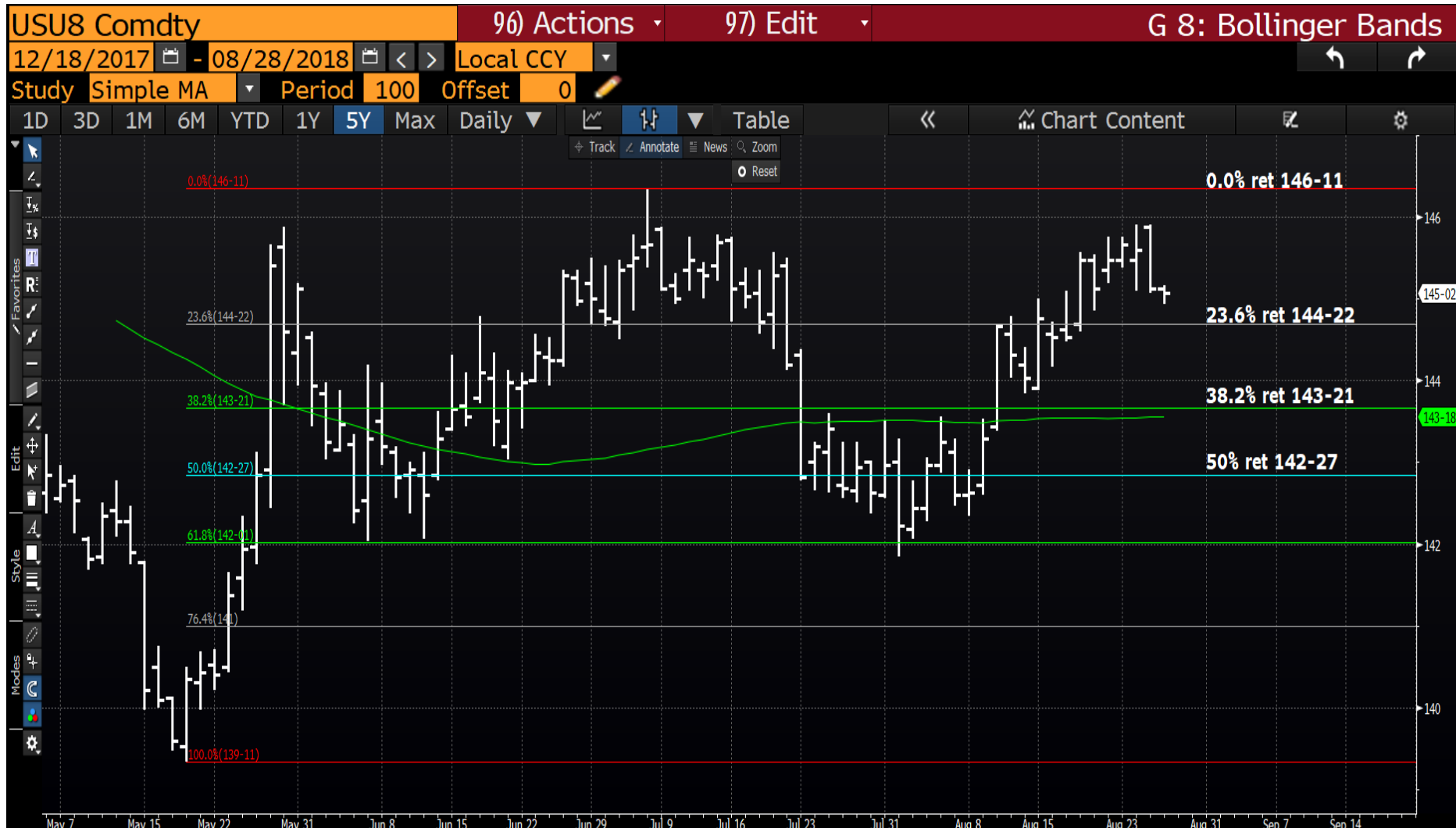


US 30yr yield daily : The biggest obstacle remains the 23.6% ret 2.9484, sub this will take us out of the RANGE. We are CLOSE!



28/08/2018

US 30yr futures daily : We continue to trend higher and would buy any pull back should we see the 23.6% ret 144-22. Definitely buy any new high as CTA's will do so.



28/08/2018

US 10yr yield quarterly : HISTORY IS GOING TO REPEAT ITSELF 2000 AND 2007!
The RSI dating back to 1984 is not going to go away, thus the BIAS still remains for lower yields. We are back on the lows and sub the moving average 2.8495.



28/08/2018

US 10yr yield quarterly : Could this be the PERFECT failure? We NEED to get BACK BELOW the 38.2% ret 2.8478 with more conviction. Another chart where if HISTORY REPEATS ITSELF, yields will be significantly lower given we are starting to emulate the FORMATION of 2007!



28/08/2018

US 10yr daily futures : We are hovering around the 23.6% ret 120-11 helps, ideally we HOLD here.



28/08/2018

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.



28/08/2018

US 5yr monthly : We have spent a few months now battling to break higher and to no avail, thus next we head LOWER, back inside the LONGTERM trend channel (2.7661) HELPS.



US 5yr futures daily : If we dip further then the 50% ret 113-15 should be good support.



US 2yr monthly : The RSI speaks for itself and providing we remain sub the 50% ret 2.7091 then the TRADE ideas on the opening page will work. Still think this is a “walk way” trade. We are gradually failing!



Generic German 10yr quarterly : We now have 3 SOLID UPSIDE PIRECES that are etched in history, this will form an explosive bearish tone for yields. The only issue is RUNNING out of yield so may prompt a swap out of bonds INTO the US.



28/08/2018

Generic German yield daily : We have held the 50% ret 0.302 so the next KEY step is to fail the moving average 0.372. I think we do hence the OPTIONS ideas.



Bund futures daily : Ideally we are sitting on the 23.6% ret 162.53 support and 25 day moving average.



DBR 46 daily : A bond that has done NO wrong and generally trended higher. The latest dip below the 50 day moving average 136.972 should not last long and we head higher.



Italian generic 10yr daily : Italy is a MASSIVE worry in these THIN market conditions. Despite finding resistance at the recent yield high there is every possibility we hit the 61.8% ret 3.396.



US GERMAN 5yr monthly : Given German yields will run out of room at some stage this will become a VERY attractive proposition. The RSI is in agreement however in 2014 it failed to be of use.



US GERMAN 10yr monthly : Again the RSI has been tricky BUT sooner or later this spread will RE-TREND.



US GERMAN 30yr monthly : This time the RSI is lacking but numerous levels prevail.



28/08/2018

20

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.

Astor Ridge takes no proprietary trading risk, has no market making facilities, and has no position in any security we discuss in this e-mail. The views in this e-mail are those of the author(s) and are subject to change, and Astor Ridge has no obligation to update its opinions or the information in this publication. If this e-mail contains recommendations, those recommendations reflect solely and exclusively those of the author, and such opinions were prepared independently of any other interests, including those of Astor Ridge and/or its affiliates.

This publication does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the clients who receive it. The securities discussed herein may not be suitable for all investors. Astor Ridge recommends that investors independently evaluate each issuer, security or instrument discussed herein, and consult any independent advisors they believe necessary.

The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

You should not use or disclose to any other person the contents of this research, nor take copies. This is not a representation or warranty and is not intended nor should it be taken to create any legal relations, contractual or otherwise. This research and any files transmitted with it are confidential, may be legally privileged, and are for the sole use of the intended recipient. Copyright in this research and any accompanying document created by Astor Ridge LLP is owned by Astor Ridge LLP.

Astor Ridge LLP is regulated by the Financial Conduct Authority (FCA): Registration Number 579287

Astor Ridge LLP is Registered in England and Wales with Companies House: Registration Number OC372185

Astor Ridge NA LLP is a member of FINRA/SIPC: CRD Number 282626

Astor Ridge NA LLP is Registered in England and Wales with Companies House: Registration Number OC401796