

**BONDS and EURO UPDATE : Yields to head A LOT LOWER along with the EURO!
The bond yield charts have lost NONE of their “LOWER YIELD” momentum given
all predictions are based on Quarterly and Monthly horizons.
We are also getting glimmers of a US BULL STEEPENER.**

**** US FRONTEND TRADE IDEA ****

**The US frontend looks a BUY and a very CHEAP one, see chart 17
IDEAS as follows :**

Ref 105-22

TUZ 105.75/105.875 call spread: Mkt 2/2.5 (Now 2.0/2.5) Has 10% delta

Ref 96.91

**2EZ8 97.125/97.375/97.50 broken call fly 3.25/3.5 (Now 4.75/5.25) Has 12% delta
bid is via legs**

2EZ8 97.25/97.375 call spread 1.75/2 (NOW 2.25) has 8% delta

The LOWER YIELD CALL remains in play despite the latest POP.

US 30yr yield quarterly : We have previously breached last months low so waiting for the inevitable STALL. The trend line is much closer now at 2.7025.

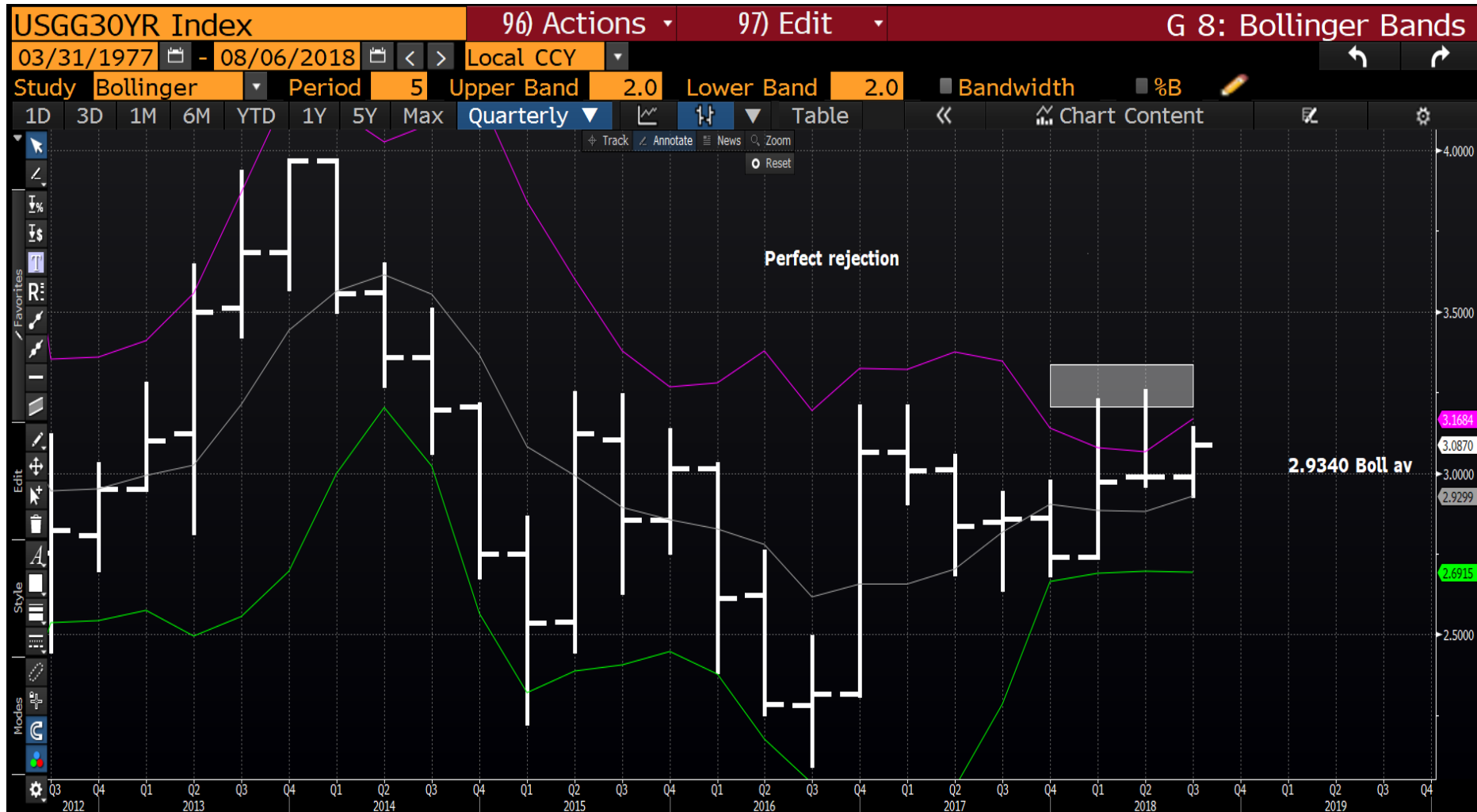


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US 30yr yield quarterly : HISTORY IS ABOUT TO REPEAT ITSELF? ON ALL previous occasions yields have dropped and especially associated with DOUBLE UPSIDE PIERCES, as NOW! Any move sub the bollinger average 2.9340 will be very very negative.



US 30yr yield quarterly : This “blow up” highlights 2 VERY nasty upside pierces which wont be eradicated unless we breach the highs, thus maintaining the YIELD LOWER call. I am hoping this is the extent of the rally and we head back toward the bollinger average 2.9340.



US 30yr yield weekly : We seem to of peaked nicely last week and ideally head lower toward the 76.4% ret 2.9585.



US 30yr yield daily : Last week we formed a top and should now head lower toward the 23.6% ret 2.9484.



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US 30yr futures daily : We are close to confirming a decent base if we can close above the 38.2% ret 143-21.



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 NEED to get back below the moving average 2.8474.



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US 10yr yield quarterly : Could this be the PERFECT failure? We NEED to get BACK BELOW the 38.2% ret 2.8478. Another chart where if HISTORY REPEATS ITSELF, yields will be significantly lower.



US 10yr monthly : The UPSIDE pierce remains AS does the recent HIGH. This is still a lower yield chart.



US 10yr daily futures : Again a potential base if forming all we need to do is breach the 38.2% ret 119-28+.



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 2.1412, there are numerous example of what has happened before.



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US 5yr monthly : We continue to TEASE around the LONGTERM trend channel (2.7661), the RSI has A LOT of unwind potential. Key break would be SUB the MOVING AVERAGE 2.4912. Another aspect from last week was the BULL STEEPENER!



US 5yr monthly : Another perfect formation looming, we are teasing the trend channel with significant room to head lower. Sub the moving average 2.4912 will help, ALOT.
The RSI is not going to go away.



US 5yr weekly : We continue to fail the 50% ret 2.8846, targeting the 38.2% ret 2.330.



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US 5yr futures daily : We have held the 61.8% ret 113-07+ so far today and a close above the 50% ret 113-15 will be helpful.



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.



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 : This is the first of a few 100 day moving averages that have come in to play. We closed sub the 38.2% ret 0.421 so hopefully should head lower and through the 50% ret 0.302.



Bund futures daily : We have recovered well and have a new high on the month so should breach the 23.6% ret 162.53.



UK 10yr monthly : We are just above the 2008 trendline 1.316 and yields should STILL head lower.



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UK 10yr yield daily : We have failed the resistance at 1.398 38.2% ret and it is KEY to head lower from there, ideally back below the 50% ret 1.307.



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Gilt futures daily : We have recovered well from the 100 day moving average and today producing a new monthly high. A close above the 38.2% ret 122.89 will be very bullish.



DBR 46 daily : The 100 day moving average served its purpose well and hopefully we can breach the 76.4% ret 138.096.



Italian generic 10yr daily : The next step here is very crucial, do we rebound off the 50% ret 2.946 or PASS through it. I think the later if the EURO breaks 1.1509.



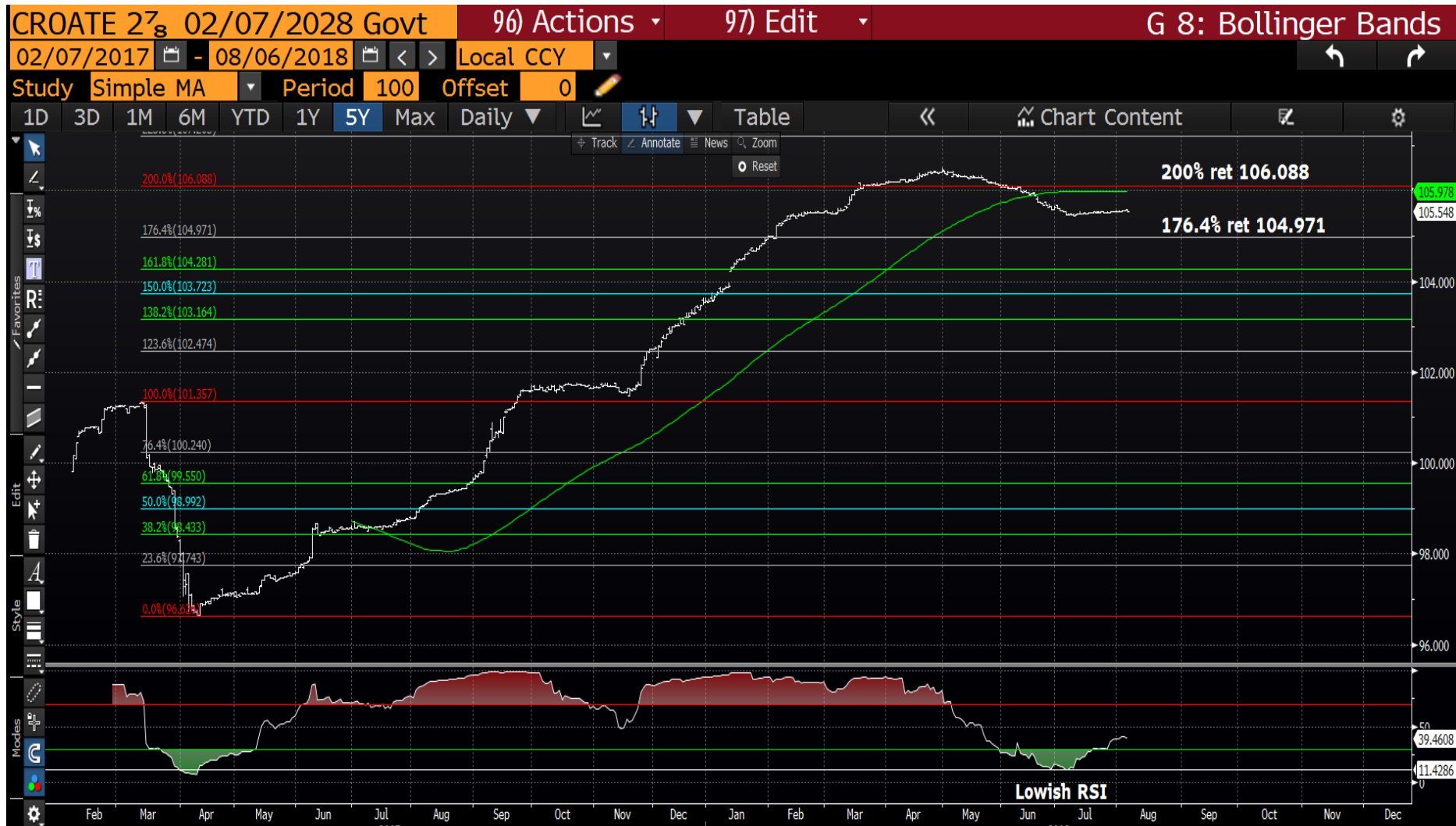
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Portugal 27's : A very sideways market but still holding.



**Croatia 28' daily : The RSI is now VERY neutral so tough to decide the next move.



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EURO quarterly : A break of the low is looking VERY ominous and should it breach then the DROP will be hard and FAST!



EURO daily : The market is VERY LAME and lacked any kind of BOUNCE therefore a breach of the recent low 1.1509 looks likely.



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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