

****The perfect storm is COMING given more ELEMENTS are now formulating major concerns! So many charts replicate 2007 scenarios.****

Many aspects to the original MAJOR STORM concern are falling into place. The EURO is FAILING (with further to go), the DAX is on the verge of confirming a MULTI YEAR TOP, BOND YIELDS continue to FALL in Europe and LIQUIDITY is at a premium. Time to be ON HIGH ALERT!

The views expressed in this piece are ALL based upon HISTORICAL reaction to the LOCATION we are at NOW. The charts used are also of long-term duration thus these signals won't be eroded for some time, hence the WORRY.

The dark clouds are forming and may soon become ONE.

The EURO is the first chart and I think EUROPE itself is in TROUBLE, political uncertainty amongst many ongoing issues. Enough of fundamentals!

I HOPE THIS PROMOTES SOME DISCUSSION and am happy to discuss trade ideas. We will forward our own ideas over the lead up to the month end. This is a MASSIVE QUARTER end. I think SOME EM benefits.

I guarantee these views STILL won't sit right with many BUT worth noting historically.

EUR quarterly : These are a worrying set of BARS, as can be seen they highlight troubled times for the EURO. We could easily see 1.0109 by the end of the year.



DXY quarterly : A very strong performance now above the 50% ret 95.859 and targeting the 61.8% ret 101.797 next.



15/08/2018

US 30yr yield quarterly : Does history repeat itself? We have a worrying trend lower and the latest double PIERCE formation is SIMILAR to 2007!
Sub the Bollinger average 2.9242 will help a lot.



15/08/2018

US 10yr quarterly : The worrying formation here is the 50 period moving average 2.9069, twice before we have FAILED and subsequently in some style! This time though the RSI is at 1984 levels.



15/08/2018

US 5yr yield monthly : Another worrying historical chart formation, now BACK in the CHANNEL 2.7661.



US 2yr yield monthly : The RSI signifies that expectation of HIGHER rates is at an ALL time high and subsequent disappointment could be vicious! Once this does reverse the curves will witness a MAJOR steepening.



15/08/2018

German 10yr yield quarterly : I have used this chart previously to forecast the initial yield drop. Currently we are inside the yield channel and the last SERIES of 3 UPSIDE pierces clarify yields HEAD lower. The only thing lacking is the RSI.



15/08/2018

UK 10yr yield monthly : We are firstly sub a reasonable 50 period moving average 1.549 and the 2008 trend line 1.349. Another RSI disappointment.



Italian 10yr yield daily : Italy has already shown us its MAJOR issue i.e. LIQUIDITY. I feel this will drive yields significantly higher as the EURO depreciates. A decent juncture here given the trend line.



Spanish 10yr yield daily : A VERY neutral chart given at the 50% ret 1.393.

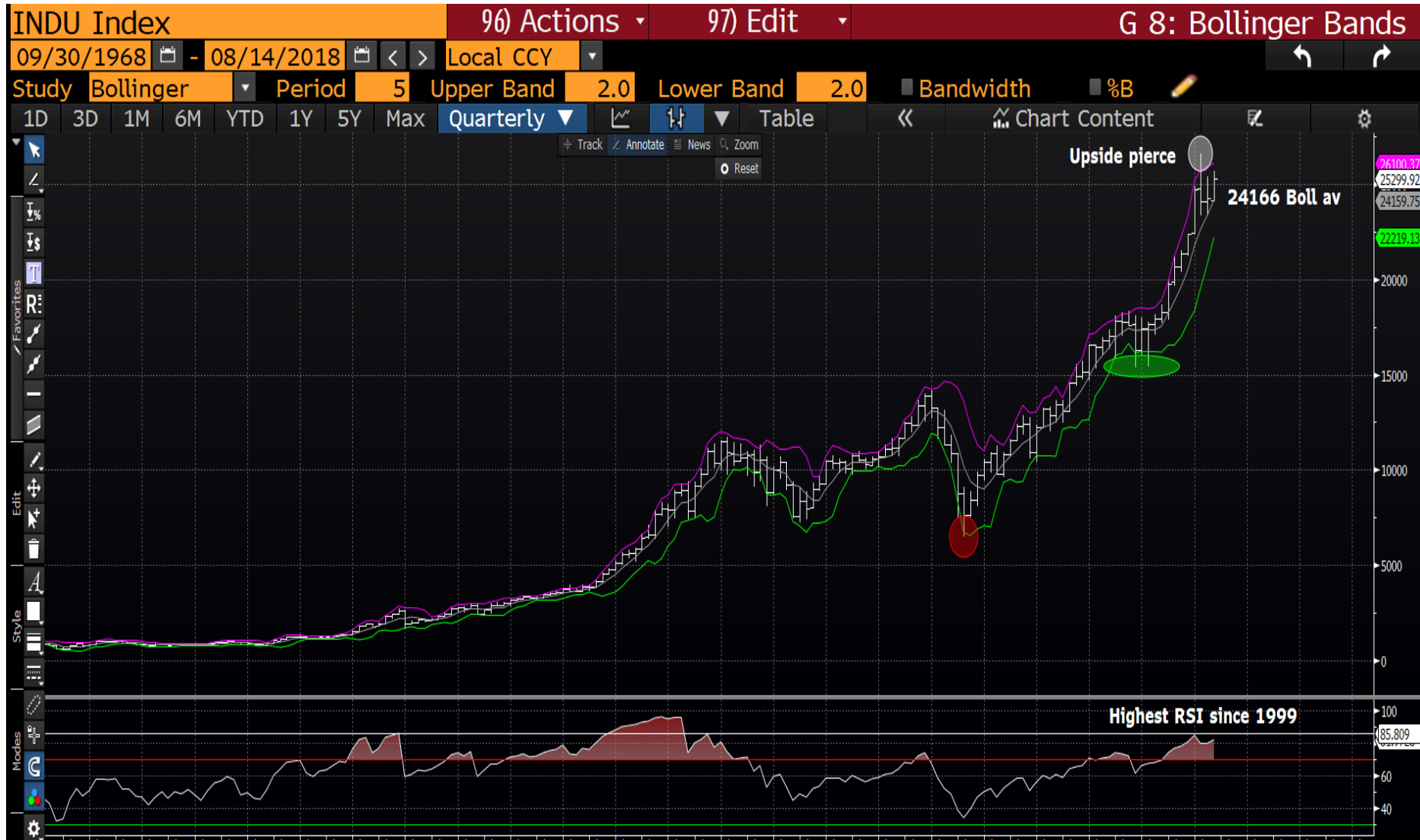


15/08/2018

DAX quarterly : This could be the PERFECT formation and SIGNAL the end of the DAX rally.
It has been a long-time forming BUT this is a TOP in my book!



DOW quarterly : US stocks remain a tough nut to crack BUT there is hope given the previous PIERCE remains. The RSI we haven't seen since 1999!



US 5-30 monthly : This looks like a BASE to me and the month now is all about confirmation.
“Let the steepening commence.”



US 10-30 curve monthly : We have HELD well and steepening nicely, the lowest RSI ever helps.



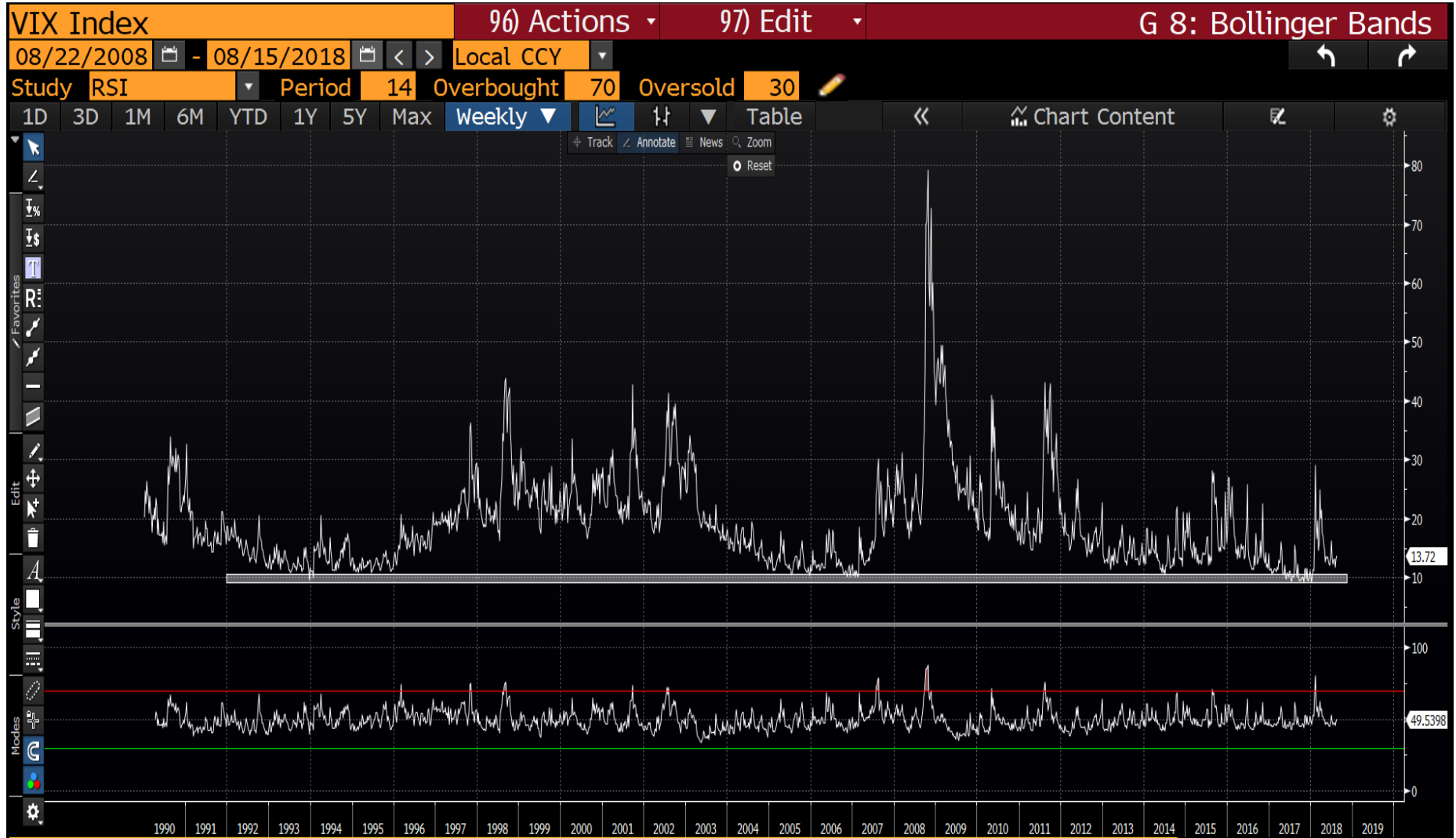
Brazilian 10yr yield weekly : This look like yields are poised to head lower again.



Bund vol daily : We are at reasonable lows where I think it is worth owning if the STORM breaks!



VIX weekly : Again historically low VOL levels so could be worth owning!



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