

BONDS and EURO UPDATE : YIELDS LOWER-THE WRITING REMIANS ON THE WALL.

It might be a choppy week until Non Farm but all long-term charts still point to MUCH lower yields.

The EURO will soon be in FREEFALL!

Germany continues to REMAIN inside the LONGTERM CHANNEL.

**** 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 160.41

Buy RXV8 162.50/163.50 Call spread @ 3 ticks 5 Delta (Now 3.0/5.0).

Or

Buy RXV8 162.00/163.00 Call spread @ 5 ticks 8 Delta (Now 6.0/8.0).

****Stop all positions sub 159.40 (RX Z9) initially.****

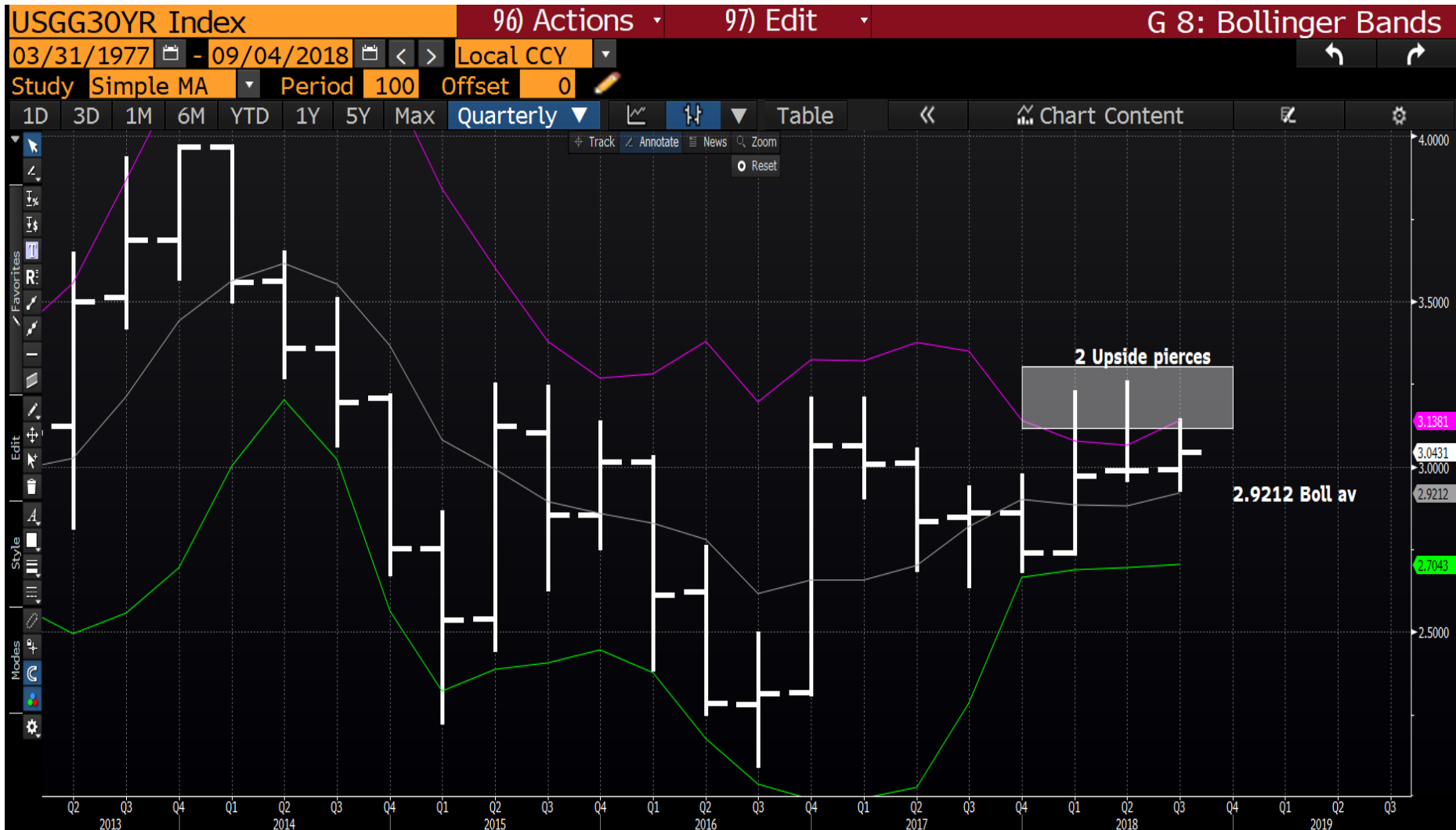
Feel free to discuss or ask for FIRM prices.

**** Yields will go lower and as mentioned to me this week, BE PATIENT! ****

US 30yr yield quarterly : We continue to REMAIN sub the 3.1563 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.
 Non Farm should decide whether we head back toward the bollinger average 2.9212.
 Worth noting we do still have a new low this 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! Currently the need is to fail today's moving average level 3.0643.



04/09/2018

US 30yr futures daily : Hopefully we don't stray too far from the 38.2% ret 143-21 – moving average support, a close above the level will be IDEAL.



04/09/2018

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 remains for lower yields.
We are back on the lows and sub the moving average 2.8668.



04/09/2018

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!



US 10yr daily futures : We have pulled back today but the 38.2% ret 119-30+ and moving average 119-28 stand firm as SUPPORT.



04/09/2018

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.



04/09/2018

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 (2.7475) HELPS. The supply last week should act as a DECENT VOLUME CAP.



US 5yr futures daily : We have dipped a little today BUT solid support prevails in the form of the 38.2% ret 113-09, moving average 113-05+ and 50% ret 113-05.



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 bunds INTO the US.



Generic German yield daily : Hopefully we can maintain the negative yield out look by failing todays 3.550 moving average.



04/09/2018

Bund futures daily : We have dipped today but hopefully can HOLD the moving average-23.6% ret 160.28.



DBR 46 daily : A bond that has done NO wrong and generally trended higher. We held the 61.8% ret 135.721 on the latest DIP and stand a chance of pushing back to the old highs.



04/09/2018

Italian generic 10yr daily : Italy a PERMENANT WORRY in these THIN market conditions.
 Despite trading sideways recently I remain adamant we visit the 61.8% ret 3.396 soon,
 therefore watch for a yield bounce off the 3.053 trend line.



EUR USD quarterly : We continue to fail on every bounce, this time at last quarters close.
Sub the 50% ret 1.1241 will trigger HUGE stops.



EUR USD monthly : We have held the 50 period moving average but as before any close sub this or the 50% ret 1.1246 will be exceptionally bearish.



EUR USD weekly : We have failed the 38.2% ret so hopefully can continue the TREND LOWER.



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EUR USD daily : As with the early part of the year we had to endure a PERIOD of consolidation before failing. Sub the 23.6% ret 1.1597 today is a great start but this downward momentum NEEDS to prevail EVERYDAY going forward.



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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