

MULTI ASSET UPDATE-What a difference 24 hours makes :
The “EXPLOSIVE” quarter end is here, we just have to CAPITALISE on the openings.

*******THIS IS A PRO-FOUND STATEMENT DAY!*******

This is exactly what the charts have been calling for i.e and explosive “YIELDS LOWER” end to the quarter. If we do manage new yield lows on the week then the BIGGER quarterly yield CALL LOWER, KICKS IN!! This could be a disaster for many given “MOST” adamant for much higher yields just as the RANGE has held.

ITALY has shifted the spotlight on the EURO as on the week it has FAILED!

*******AM HAPPY TO DISCUSS ANY ASPECTS OF THIS PIECE.*******

I have only included charts I think PROMINENT for todays reversal.

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FX UPDATE

- **FX UPDATE** : Italy has reignited the argument the **EURO FAILS**, having hit prominent resistance this week. The timing could not be worse, we are headed a lot lower!
- I believe confidence in **EUROPE** as a **WHOLE** is about to be blown apart aided by Mr Trump, he has made his views clear that the **UNELECTED** group aren't his favourite people(Arms folded).
- **EUR GBP** : This is finally responding and in the way I have been hoping i.e. lower **EURO** and lesser rate of change on the **GBP**. I do think Mrs May and Trump have a **PLAN** to annoy and aggravate **EUROPE** as much as possible. Their body language together is **VERY** relaxed!
- This cross could also **EXPLODE** as I **FEAR** Europe is on the verge of major troubles and Mrs May is in the driving seat with Mr Trump. Europe might find it difficult to respond quickly if markets suffer badly **DUE** their track record on decision making.

USD EM : There are some amazingly **CHEAP** stop trades in some **EM** space, we have hit **MULTIYEAR** retracements, with **RSI's** to compliment. This is working well and many **TOPS** will be etched in **HISTORY** evoking the idea of confidence in **EM** once again.

EUR USD quarterly : This is a key chart to start with given the LOWER HIGHS since 2008. As the blocks highlight the MAJOR DROP periods and potentially on this quarterly, we have a lot of work to do to make it work but it is HAPPENING.



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EUR USD monthly : We have highlighted the importance of the 50% ret 1.1240 as support so IDEALLY we breach this by month end. Note the near perfect failure at the 38.2% ret 1.2372 emanating from the low in 1985!



EUR USD daily : This is in REAL TROUBLE, we have rejected the 38.2% ret 1.1780 nicely on the week and now a close sub the 23.6% ret 1.1597 WILL BE A DISASTER! The timing of this reversal is painful and a WIDER statement for the market. EUROPE is in trouble.



EUR GBP quarterly : The 3 pierces are now becoming MORE pronounced and thus create a greater BEARISH stance.



EUR GBP quarterly : Further upside pierces endorse the GREATER failure.



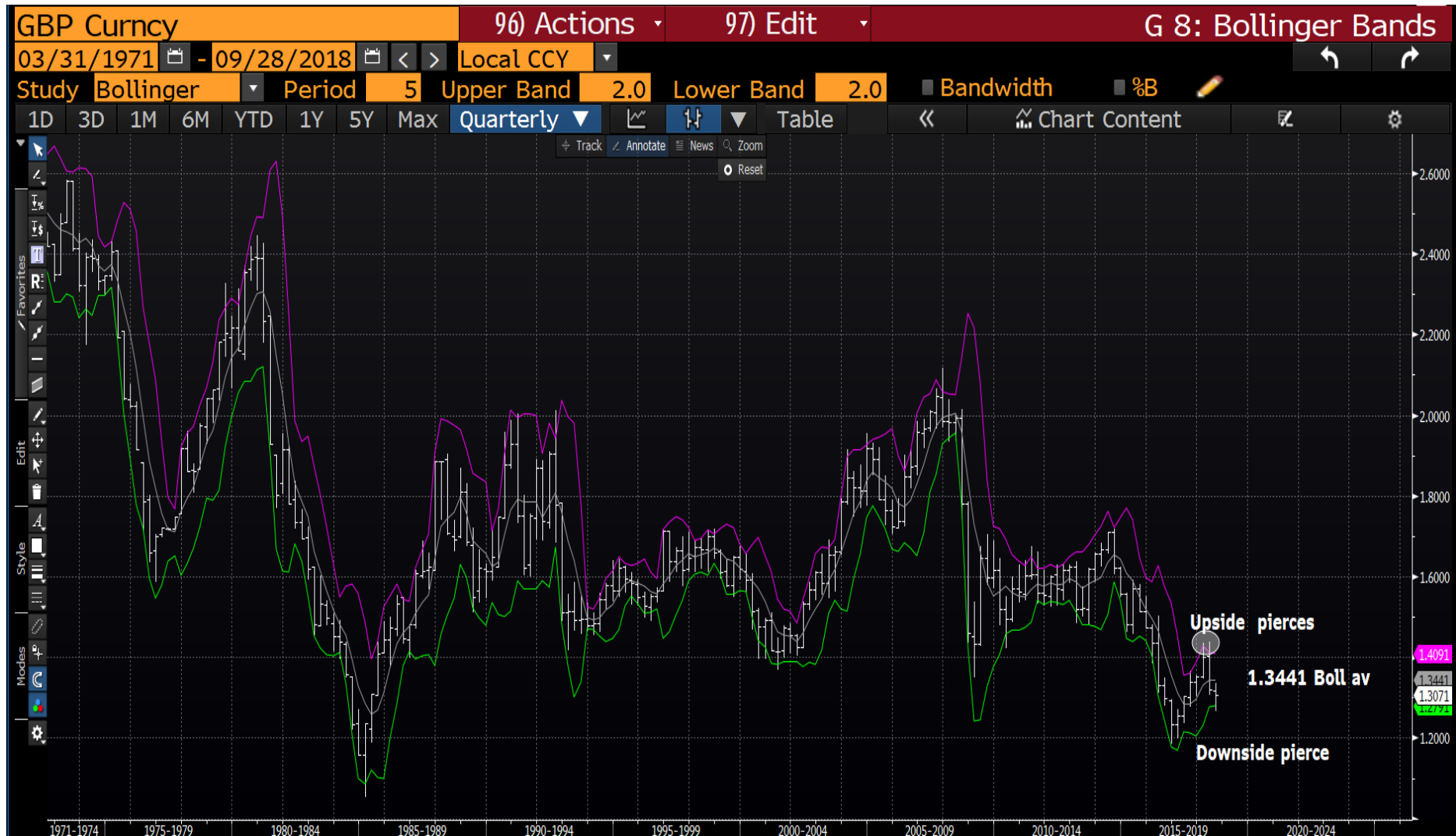
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EUR GBP weekly : Ideally we breach the 0.88479 pierced low today, if we do then this will have major implications.



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Cable Quarterly : We continue to persist with the recent opposing pierces thus directionally more down to the shorter duration charts.



Cable weekly : We have 2 upside rejections and sub the 50% ret 1.3109 is very negative, but the hope is the EURO drops FASTER.



Cable daily : We are about to breach the 23.6% ret 1.30067 which will trigger more major stops.



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DXY monthly : I think the USD has been side lined recently and the DXY hasn't strayed far from the 50% ret 95.859, a waiting game here.



DXY daily : Again a struggle to find any kind of traction given we continue to FLIRT with the 100 day moving average 94.637. We are now above the moving average so slightly positive.



EQUITIES

Equities : They haven't broken yet but for me ALL the same US Equity RSI dislocations remain. I still maintain the TECH sector will be the AREA that implodes, ELON is doing a great job to formulate that. Too many resignations this week, tweets and people over weight that sector on HYPE!

***** I don't think stocks respond until the US opens.*****

It strikes me that TOO MANY people own them and like TESLA struggle to be run like a conventional MULTI NATIONAL.

We all remember Gerald Ratner.

US stocks continue to grind higher this DESPITE ALL quarterly and monthly RSI's being 1896, 1999 and 2000 extensions. This is a similar scenario to the BOND extremes, frustrating and HARD to FATHOM.

DAX quarterly : ***THE PERFECT TOP IS FORMED!?!***

We now have several pierces similar to 2015, the latest bollinger widening signifying a FAR greater drop is looming. The pre 2007 performance is a good example. Ideally we breach the FIRST QUARTER LOW 11726.62. We do need to close on the lows at quarter end. A LOT OF WORK TO DO!



Dax daily : We failed the 38.2% ret 12441 and hopefully can break back into the CHANNEL.



Eurostox daily : A decent bounce of late but ideally we fail at the 50 day moving average 3417.



FTSE monthly : This is a VERY negative market now given the breach of the MULTI year 123.6% ret 7531. Ideally we need to close at the lows into quarter end.



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FTSE daily : We should fail the 7533 moving average and ideally head toward the 23.6% ret 7336.16.



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Dow quarterly : US stocks are proving to be the BIGGEST PAIN technically as the RSI levels denote we should not be here. HIGHEST since 1999 and an eventual breach of the 24376 bollinger average will help a lot.



S&P (future) daily : These are closer to a decision i.e. already sub the channel and any subsequent breach of the 100% ret 2894.75 will be VERY bearish.



Nasdaq quarterly : The “TECH” BUBBLE WILL burst!? The RSI matches that of 2000 and the WORLD remains long-content. I really think once we CRACK this will be in FREE FALL.



Nasdaq daily : WE have spent a significant amount of time UP HERE but lack a break, maybe we breach the 7902 moving average, SOON!



BONDS

- **YIELDS HAVE TURNED ON A DIME AND THIS IS A PROFOUND STATEMENT, DO NOT IGNORE IT GIVEN IT OPENS THE DOORS TO THE QUARTERLY AND MONTHLY LOWER YIELD FORECAST.**
- **WE NEED TO HOLD ONTO TODAY'S GAINS AND GIVEN MONTHEND WE SHOULD. THIS REVERSAL ALSO GOES AGAINST THIS WEEK'S TALK OF HIGHER YIELDS.**
- **ALL daily charts now have MAJOR RSI dislocations JUST as people talk of a RANGE BREAK and HIGHER YIELDS.**

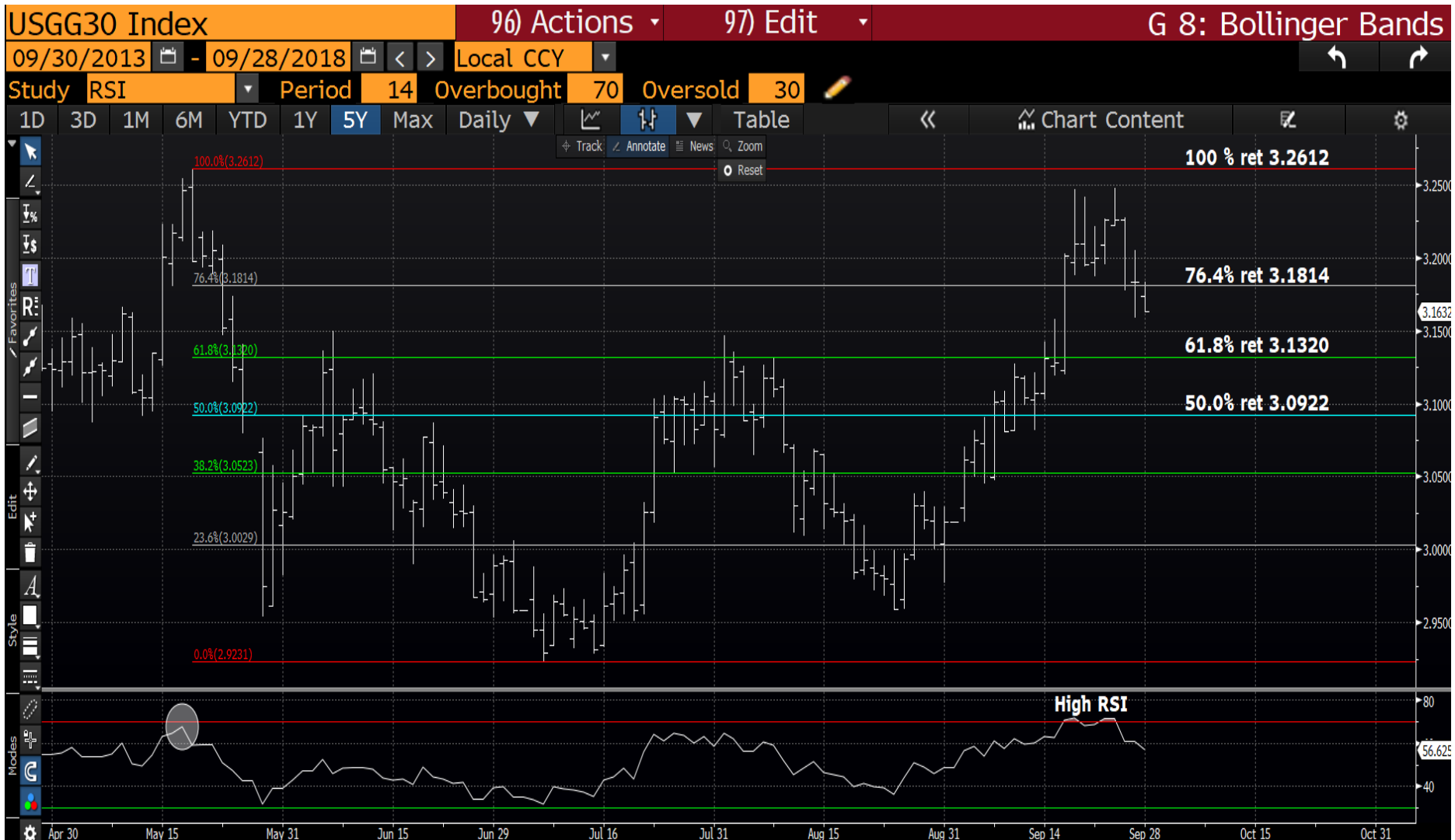
US 30yr yield quarterly : We have popped above the 3.1580 100 period moving average BUT can history repeat itself? We subsequently failed before highlighted by the NUMEROUS circles. IDEALLY we need a lower monthly close than this but the day isn't over yet.



US 30yr yield monthly : We need a lower close than here to stand a chance of emulating the previous failure “circled”, that said this is a STATEMENT. Yields are going lower!



US 30yr yield daily : The RSI and previous HIGH kicked in, all we need to do now is see yields FALL. Sub the 76.4% ret 3.1814 kick starts the lower yield call and compliments the RSI effort on the week. The RANGE held.



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US 30yr futures daily : The RSI worked again and the 100% ret 141-04 proved its worth, we need to close above this.



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.
Hard to figure out why we are not failing given the RSI!?



US 10yr yield daily : The RSI helped formulate the top this week and now sub the 76.4% ret 3.0391 is VERY bearish.



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 2.1432, there are numerous example of what has happened before.



US 5yr yield daily : We are now sub the 100% ret 2.9547, a breach of yesterdays low 2.9257 will help alot.



US 5yr futures daily : Again the RSI dislocation matched that of MAY but we do need to close above the 61.8% ret 112-20.



US 2yr monthly : The RSI says it ALL but we are struggling to fail and recently have breached the all important 50% ret 2.7091. Ideally we can REVERSE back below this LEVEL.



US 2yr daily : The RSI is similar to May but ideally we need to breach the 161.8% ret 2.7840.



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. So far so good failing at the 0.574 moving average, we JUST need to head lower, RAPIDLY. We have put n some work today but I think there is more to do.



Generic German yield daily : We have failed the 200 day moving average 0.489 and the subsequent fallout has been quick, I would be looking for a close at 0.420 38.2% ret today.



Bund futures daily : Todays bounce has been big but I still think we have MORE to go!



DBR 46 daily : We did a sterling job of holing the 200day moving average 133.105 AND a close above the 61.8% ret 135.721 will be very positive.

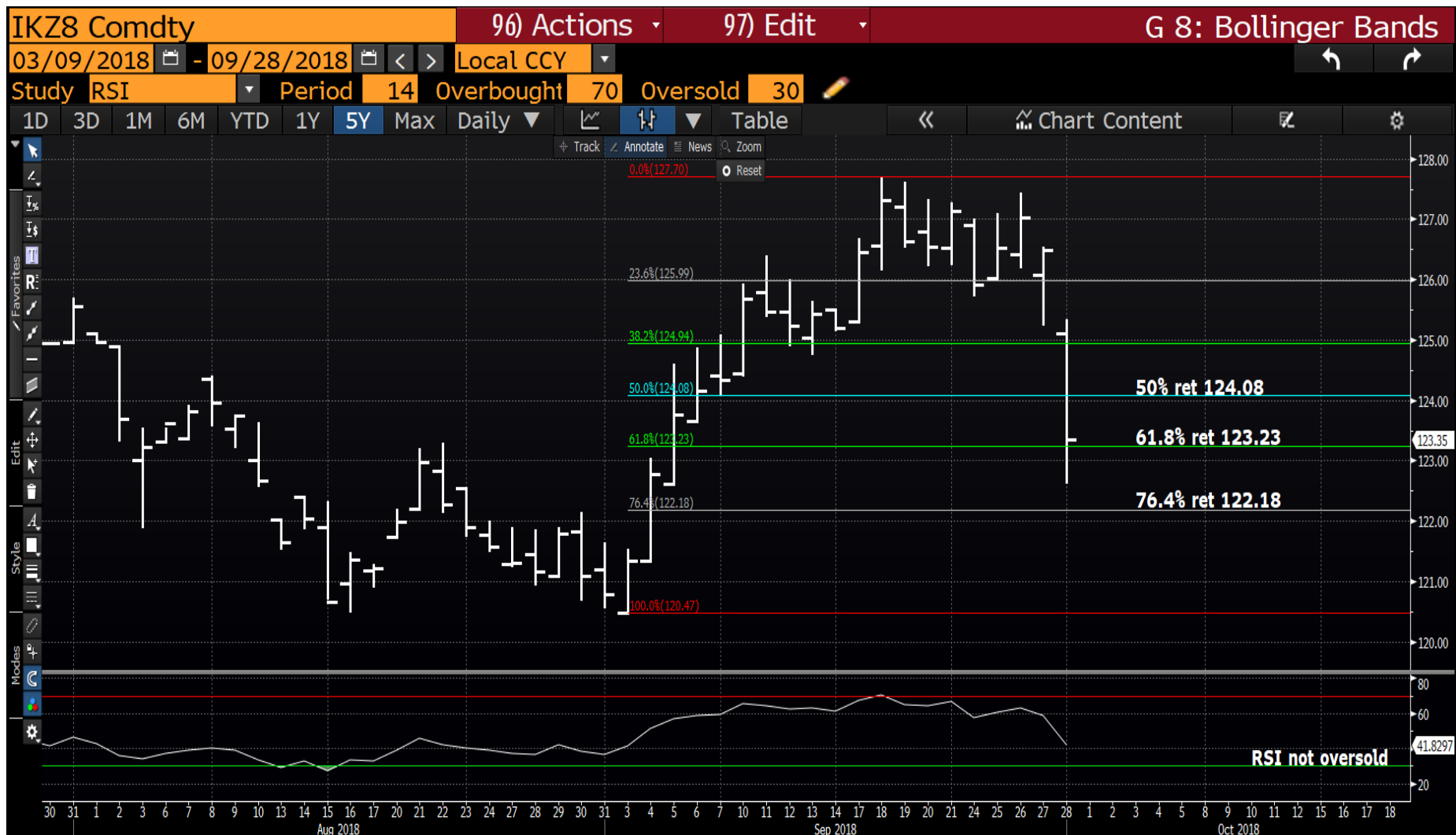


Italian generic 10yr daily : This has had obvious problems today having held the 2.783 moving average. I still maintain we see 3.396 61.8% ret given I dislike the EURO so much.



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Italian generic 10yr daily : Its been a big drop but interestingly it hasn't forced the RSI into an oversold situation.



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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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