

BOND UPDATE :

DO KEEP AN OPEN MIND. MANY DAILY YIELD RSI's MATCH THE MAY 2018 DROP, COINCIDING WITH THE TOP OF RANGES!

This has been a massive NEMESIS of mine, BUT and not to be sounding like a broken record BEWARE YIELDS may still DROP, violently! MOST daily RSI's are at May levels where yields STALLED previously, so the top of the yield range MAY HOLD!

That said this is the LAST LOCATION to see US yields STALL, therefore a week to LOAD UP on UPSIDE BOND PLAYS or VOL increase.

**** TRADE IDEAS ******Previous trades**

Buy RXV8 162.50/163.50 Call spread @ 3 ticks 5 Delta (Now offered @ 1.0).

Buy RXV8 162.00/163.00 Call spread @ 5 ticks 8 Delta (Now offered @ 1.0).

NEW trades

Buy RXX8 160.50/161.50 Call spread @ 17 tics Bund ref 159.18 (Now @5)

Buy TYX8 120.00/121.00 Call spread @ 9 tics TYN8 ref 119-06 (Now @4)

Buy TYX8 120.50/121.50 Call spread @ 5 tics TYN8 ref 119-06 (Now @1)

Buy FVX8 113.25/113.75 Call spread @ 4 tics FVN8 ref 112-20+ (Now @2)

US 30yr yield quarterly : The “RANGE” has been in place for the ENTIRE year BUT as the chart shows WE HAVE BEEN HERE before. History shows us YIELDS eventually FAIL. Currently everyone is BULLISH on yields but I would have to say “PRIDE BEFORE A FALL”. Think twice here and hopefully the FED will formulate that decision.



US 30yr yield daily : We are back at the TOP OF THE RANGE and the RSI is of great assistance, i.e. a SIMILAR extension to MAY's DROP.



26/09/2018

US 30yr futures daily : The RSI is low and has given us a false low previously but either way it is low, we could emulate May or July? Above the 100% ret 141-04 will help A LOT.



US 10yr yield quarterly : We have a couple of example of SUBSEQUENT failure at the 50 period moving average. This is a tall order asking for FAILURE BUT the RSI remains at 1984 extension whilst the DAILY RSI's forecast a FALL.



US 10yr daily yield : We are close to the top of the RANGE and the RSI emulates that of mid MAY AGAIN! A breach of the 76.4% ret 3.3091 will help.



US 10yr daily futures : The RSI is back at the May lows and hopefully we can hold the 123.6%ret 118-14.



26/09/2018

US 5yr quarterly : We have a new yield high but the BIG technical PAIN is the 1982 extreme RSI!



US 5yr yield daily : We have a new yield high BUT the RSI again emulates that of May, sub the 100% ret 2.9547 will help a lot.



US 5yr futures daily : The RSI is lower than July and therefore we should rally from here.



US 2yr monthly : The RSI speaks for itself and providing we can back sub the 50% ret 2.7091 we should head lower.



Generic German 10yr quarterly : We now have 2 SOLID UPSIDE PIRECES that are etched in history whilst now testing the moving average 0.576.



26/09/2018

12

Generic German yield daily : We have popped the 200 day moving average 0.487 on the LATEST yield bounce BUT the RSI remains VERY dislocated.



26/09/2018

Bund futures daily : We have an RSI worth adding to the chart and hopefully can rally from here. I have elected to utilise the long via OPTIONS to allow for some “wiggle room”. The wiggle room has definitely been needed.



DBR 46 daily : We are sitting right on the 200 day moving average 133.098 so a KEY juncture!



Italian generic 10yr daily : Although we are through the 50% ret 2.946 I remain sceptical being long bonds. We are currently battling the 2.760 moving average.



26/09/2018

16

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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