

PRESENTATION

IN COMPILING THIS PRESENTATION MANY IDEAS AND THEMES ARE AT HISTORICALLY SIGNIFICANT EXTREMES, ALL IDEALLY SHOULD WARRANT TIME FOR DISCUSSION AS THIS FEELS LIKE A MONUMENTAL QUARTER END IN MANY ASPECTS.

IT FEELS LIKE WE ARE COILING FOR AN EXPLOSIVE TIME.

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FX UPDATE

- **FX UPDATE** : In putting together the following charts it look like **USD focus is FADING, the EURO, GBP and EM TAKING OVER!**
- **EUR GBP** I have long favoured a short in this and **ACTIONED** a short recently, it has a long way to go. I would prefer it to **REFLECT** a weak **EURO** performance overall not a **DIFFERENT** rate of change on a **EURO** rally with **GBP**.

USD EM There are some amazingly **CHEAP** stop trades in some **EM** space, we have hit **MULTIYEAR** retracements, with **RSI's** to compliment.

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 remains a POSSIBILITY.



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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 weekly : DECISION TIME. A bit of a congested chart and for good reason as if HIGHLIGHTS the next big step. We need to HOLD below the 38.2% ret 1.170 and ultimately breach the moving average 1.1492. We need to head lower and QUICK.



EUR USD daily : We have had PERIODS of sideways activity before the BIG DROP. It is key this week that we remain sub the 38.2% ret 1.1780. We need to head lower tomorrow, breaching 1.1667 moving average will help a lot.

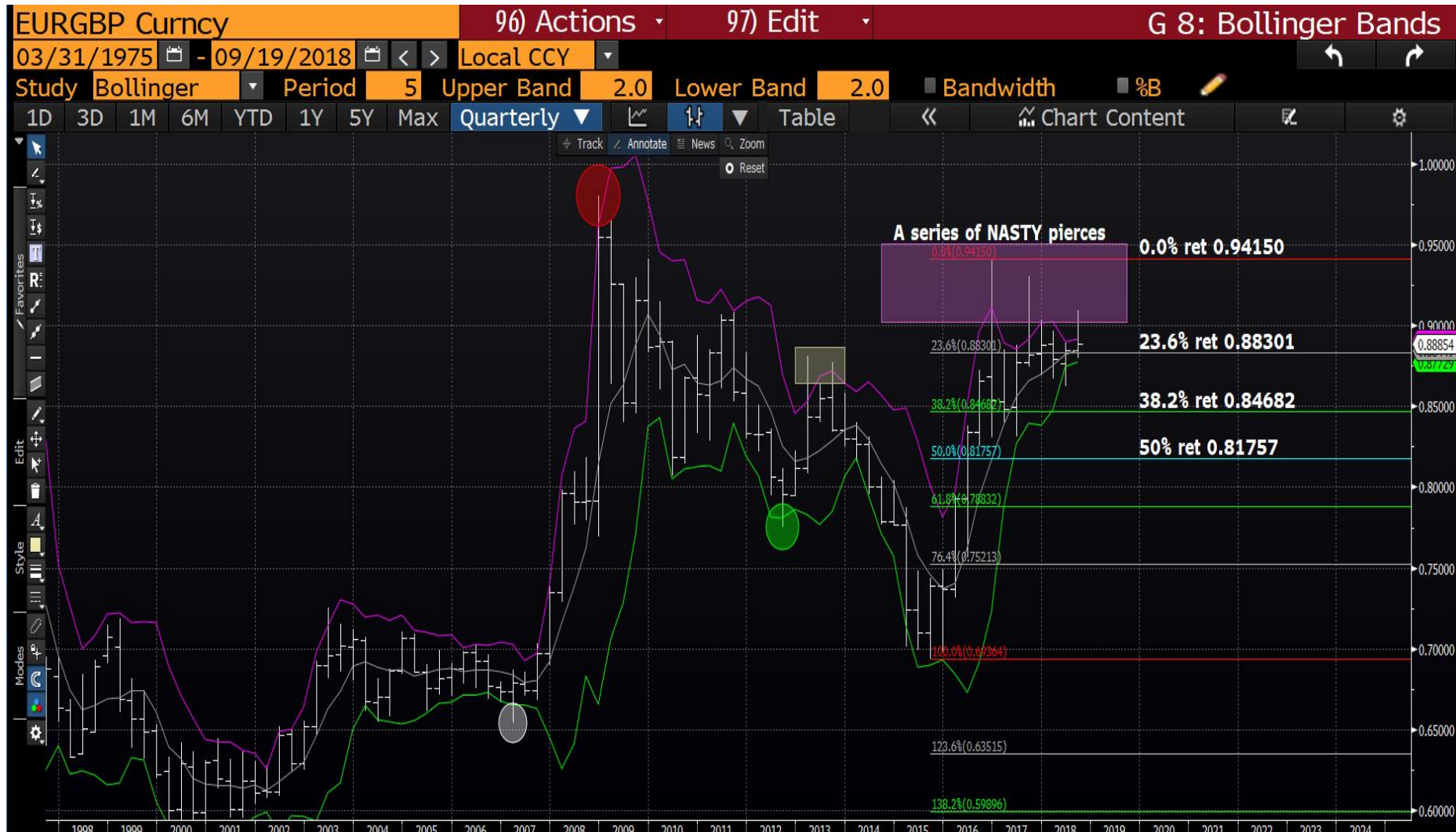


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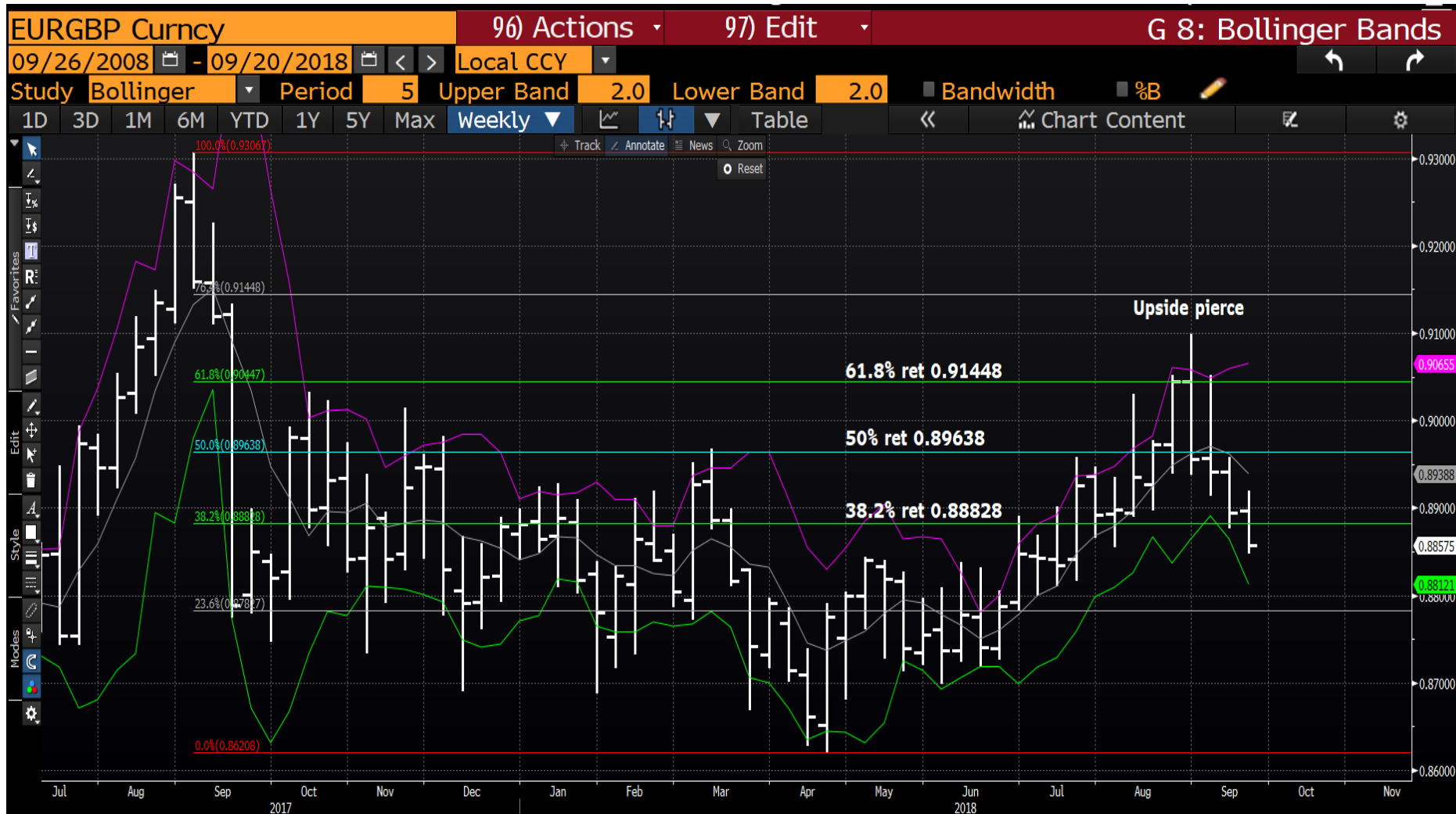
EUR GBP quarterly : This chart covers a TWO of the studies favour, the simple 14 period RSI and 5 period (not 20) bollinger bands. It can be seen that the bollinger PIERCES are significant and the RSI. The 3 upside pierces of late are VERY BEARISH.



EUR GBP quarterly : The upside pierces are very negative and the latest one negates the downside one of last quarter. A close sub the 23.6% ret 0.88301 will help the bearish CALL.



EUR GBP weekly : If this pierce formation remains then it will become a near perfect failure, stalling either side of the pierce. A CLOSE sub the 38.2% ret 0.88828 will confirm the EUR-GBP is over.



USD JPY quarterly : A very limited set of neutral ranges. Not one to focus on.



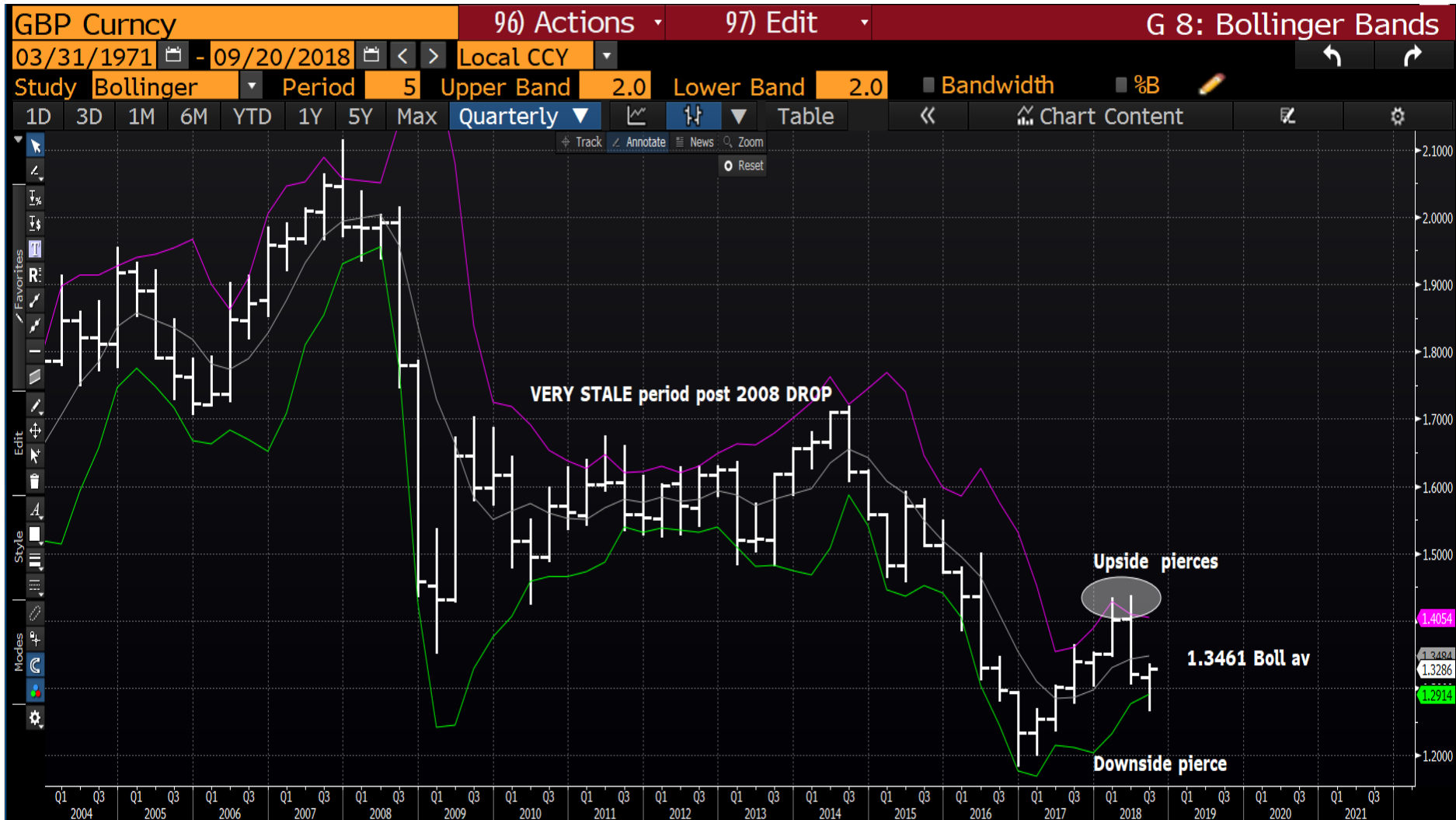
USD JPY weekly : We LACK all MOMENTUM and are at a 50% ret 112.44 of a 3 year range.



Cable Quarterly : A chart when ALL 3 studies aligned! Back in 2007 we had an over bought RSI, upside pierce and subsequent failure through the 61.8% ret 2.0359. This formulated the BIG DROP which also and very quickly drove the RSI to new lows. The volatility tended to produce a “big hangover” period.



Cable Quarterly : A nasty formation has developed over the last 3 quarters. The opposing pierces highlight “indecision” and inability to break out. The current downside pierce is mildly positive.



Cable weekly : The RSI remains reasonably effective if the October 2016 low is anything to go by. A close above the 23.6% ret 1.3779 will signal a trend reversal higher.



Cable daily : A pretty optimistic bounce of late and the recent breach of the 100 day moving average 1.3165 is positive.



DXY monthly : We have gone from nothing but “USD strength” to a SOFTENING of that view.
The big struggle is can we breach the 50% ret 95.859? It looks like being a struggle, add to that two crosses that aided that view namely AUD and CAD reversing.



DXY daily : This is the LAST CHANCE level. Given the moving average location we NEED to hold the 38.2% ret 94.20 or ELSE. This could be a defining level.



AUD USD monthly : New month, NEW LOW. This has been a great advocate of USD strength but the latest breach of the 61.8% ret 0.7187 has softened that relationship.



AUD USD monthly : For the USD strength to persist we need so STALL at the 61.8% ret 0.7327 - moving average 0.7309. A key test looms.



AUD NZD monthly : No huge trade opportunities here as we are close to the MULTI YEAR 50% ret 1.6179.



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USD CAD weekly : Another cross that represented the USD strength well but has WANED recently.

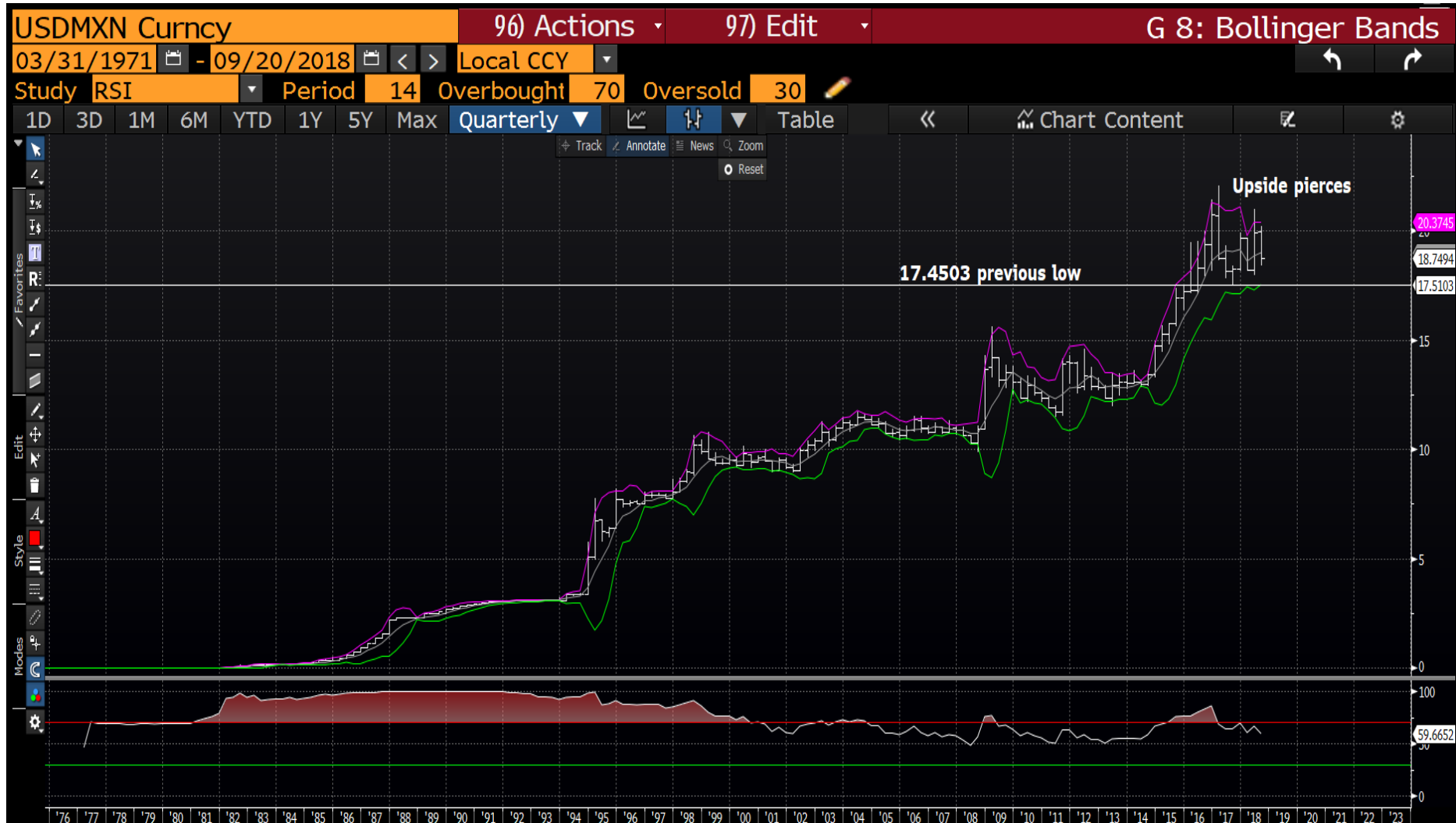


USD EM

SOME GREAT DISLOCATION OPPORTUNITIES

- Generally the USD looks like being the WEAKER leg against EM and ESPECIALLY on the following charts, MANY presenting cheap trade opportunities.
- USDMXN I have broken down as a trade to highlight the RSI failing to assist in the move.

USD MXN quarterly : This is one of those crosses at an “opportunity” location. As the chart highlights we have 2 major upside pierces, a breach of the 17.4503 previous low will confirm overall failure. The RSI is a bit WANTING so position size should reflect this.



USD MXN monthly : The monthly RSI is very neutral although we have two upside pierces which promote a very bearish tone. Again sub the 17.4503 low will confirm further failure.



USD MXN weekly : We have posted a nasty upside pierce at the 23.6% ret 19.6531 and now sub the moving average 19.0628 is BEARISH. Any close sub the 38.2% ret 1.1784 will trigger MAJOR stops.



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USD MXN daily : We are sub the 38.2% ret 19.202 confirming a BULLISH MXN tone. A close sub the 23.6% ret 18.532 will trigger far greater stops. The RSI is yet to be a worry.



USD BRL weekly : We are struggling to TOP OUT but the recent HIGH remains, JUST!



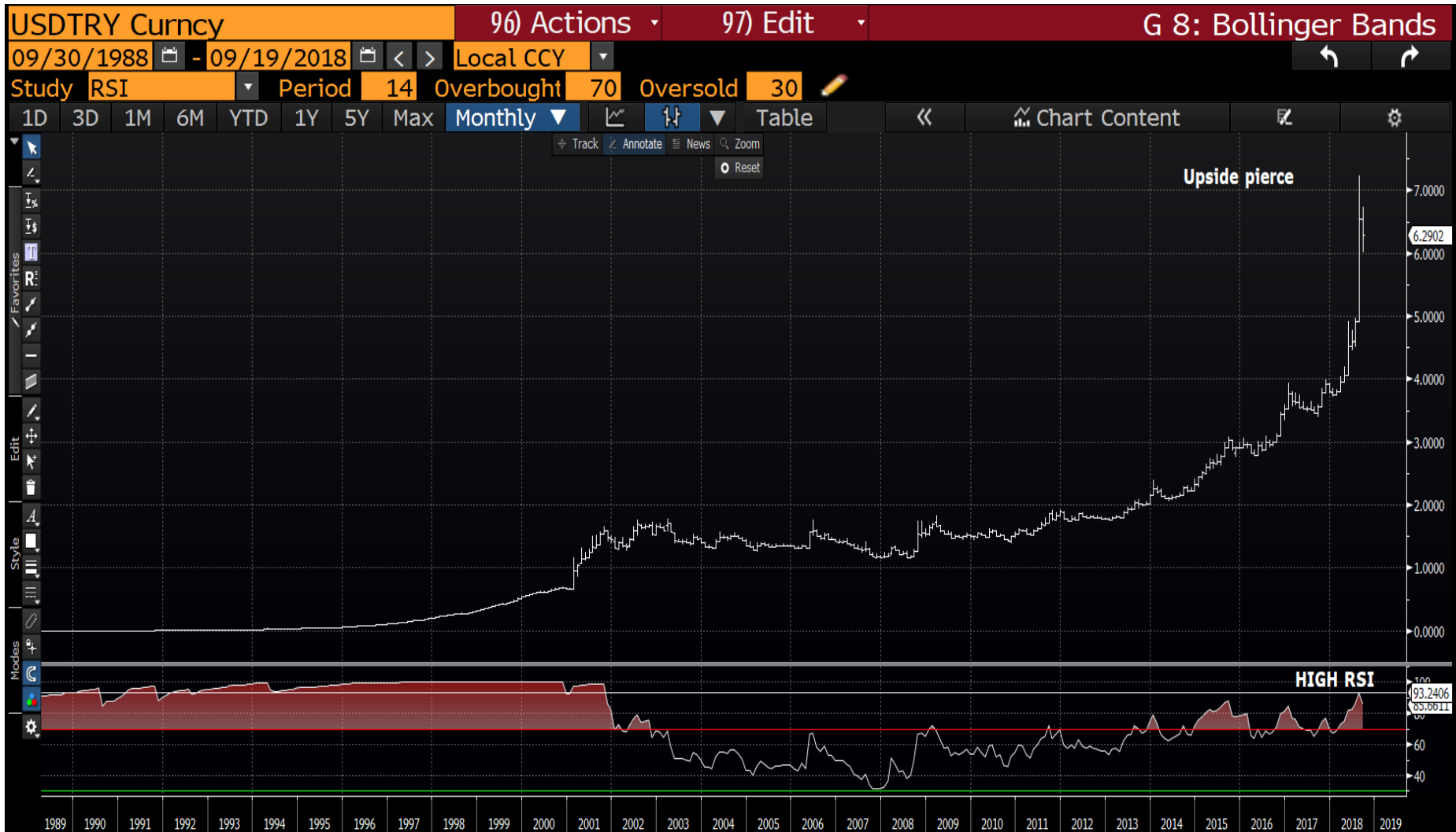
USD BRL weekly : The RSI is high but also a TEASE, it has given us FALSE signals of late.
 It might be worth a USD short with stop just above the 100% ret 4.2483.



GTBRL10Y daily : Sometimes its worth looking at the bond yield price as sometimes this ADDS further to the FX trade argument. As can be seen whilst the USDBRL is at an extreme so is the YIELD at a previous high. I have REAL MONEY do exactly that.



USD TRY monthly : Everyone has been looking for a top in this cross, it MIGHT be finally here. We have a sizeable high from last month to work from. This reminds me of a STUNT plane about to stall.



USD TRY weekly : The weekly RSI compliments the STALL on the previous chart, ALL we need to do is breach 6.00 for confirmation.



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USD ZAR monthly : The top maybe in ALTHOUGH the RSI is VERY WEAK.



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USD ZAR monthly : The long-term retracement works WELL again, taken from 2002 it shows the LATEST hit at the 123.6% ret 15.7859. This could warrant a short and stop above 16.00, but do remember this is a PRICE only trade as the RSI is poor.



USD ZAR weekly : We have rejected the 61.8% ret 15.4686 which technically is great and a close sub the 50% ret 14.7124 vindicates the SHORT. This is a weekly chart therefore a key close tomorrow.



USD RUB monthly : Yet again a long-term retracement offers up a decent level to work from, aided by the “reasonably” high RSI.



RUSSIA 47's weekly : This chart compliments the previous one given the RSI location and failure at the multi year 50% ret 70.7570. Sub 66.00 will confirm the top and vindicate a short.



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USD CNH weekly : This has performed well of late but a TOP seems to be forming. The RSI is a big bonus and preference would be a small short here, stop above 6.9665 and ADD significantly below the 100% ret 6.7850.



USD MYR weekly : The RSI speaks volumes and would try a SMALL short USD MYR and ADD on a break of the 23.6% ret 4.1325. Stop just shy of 4.200.



USD INR monthly : This has been on my RADAR for a while now given the RSI dislocation is historically rare. It doesn't yet look ready for a short on this chart BUT the more shorter duration charts MIGHT.



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USDINR weekly : This chart is a GREAT compliment to the previous, the RSI is as HIGH as September 2013 and we are in between NUMEROUS predicted retracement levels. We either fail here at the 138.2% ret 72.8598 OR stall at the 150% ret 74.100, but stall it will so be ready.



USD TWD weekly : The RSI has remained high whilst we struggle to breach the MULTI-YEAR 38.2% ret 30.850. This is again worth a short BUT a tight stop above 31.00.



USD SGD weekly : A similar situation to most ASIAN crosses in that the RSI is high and just awaiting the inevitable!



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EQUITIES

Equities : 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.

We now have a MARKED disparity with the US, how long can it LAST?

European equities REMAIN heavy BUT need to STALL this week, chances of this happening are VERY HIGH. There are some very RELIABLE moving averages to watch for on the daily horizons.

One thing to point out is “BLOCKCHAIN”, this could effect valuations going forward of MANY multinationals especially TECH. (AIRBNB, UBER etc).

We do now have more fundamentals looming as Mr Trump has the TECH sector in his SIGHTS. Only a matter of time!

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.



Dax daily : It is key to the long-term that we FAIL around the MOVING AVERAGE as before, a close sub the 23.6% ret 12168 desirable.



Eurostox monthly : Despite breaching the moving average 3410 we are testing it again BUT for the long-term view need to fail here!



Eurostox daily : A similar situation to before we NEED to fail the RELIABLE 3374 moving average.



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.



FTSE daily : A very muted bounce and the 23.6% ret 7336 looks like suitable resistance.



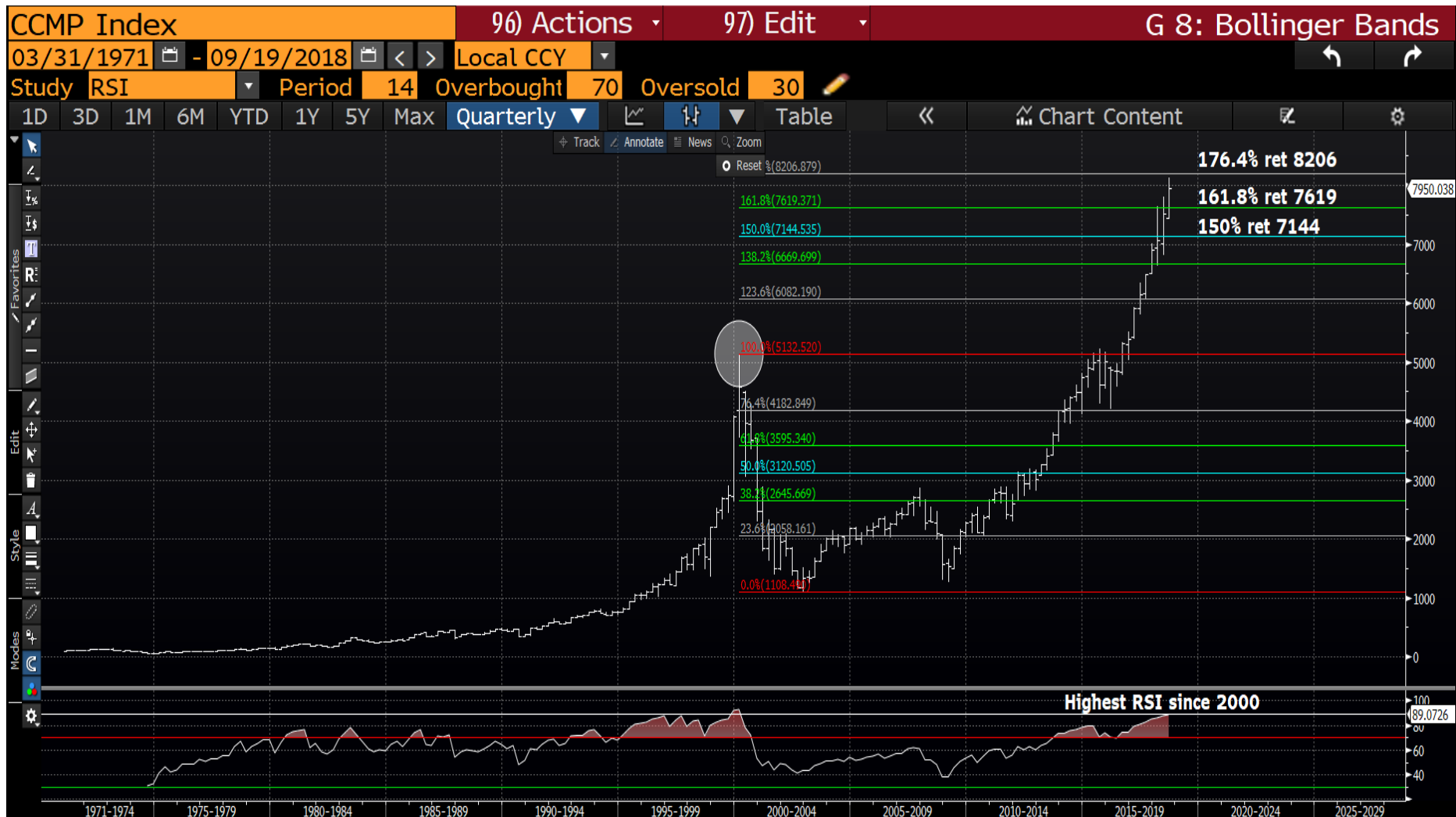
Dow quarterly : US stocks are proving to be the BIGGEST PAIN technically as the RSI levels denote we should not be here. HIGHEST since 1999 and an eventual breach of the 24380 bollinger average will help a lot.



S&P (future) daily : We continue to TEASE the previous high and the market is only worth fading SUB the 100% ret 2894.00.



Nasdaq quarterly : The “TECH” BUBBLE WILL burst!? The RSI matches that of 2000 and ideally some of the projected retracements will WORK. The current high needs to be confirmed but regulation and MR Musk has drawn a spot light onto this LOFTY area.



Nasdaq daily : We are outside the CHANNEL 7974 and subsequently hoping for a close sub the 123.6% ret 7833.



Hang Seng monthly : The market remains heavy and the next stop is the 23.6% ret 25599.



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Hang Seng monthly : This could be the highest the latest bounce goes given the 38.2% ret 27690-trend channel is looming.



Nikkei Monthly : A pretty neutral market to be honest.



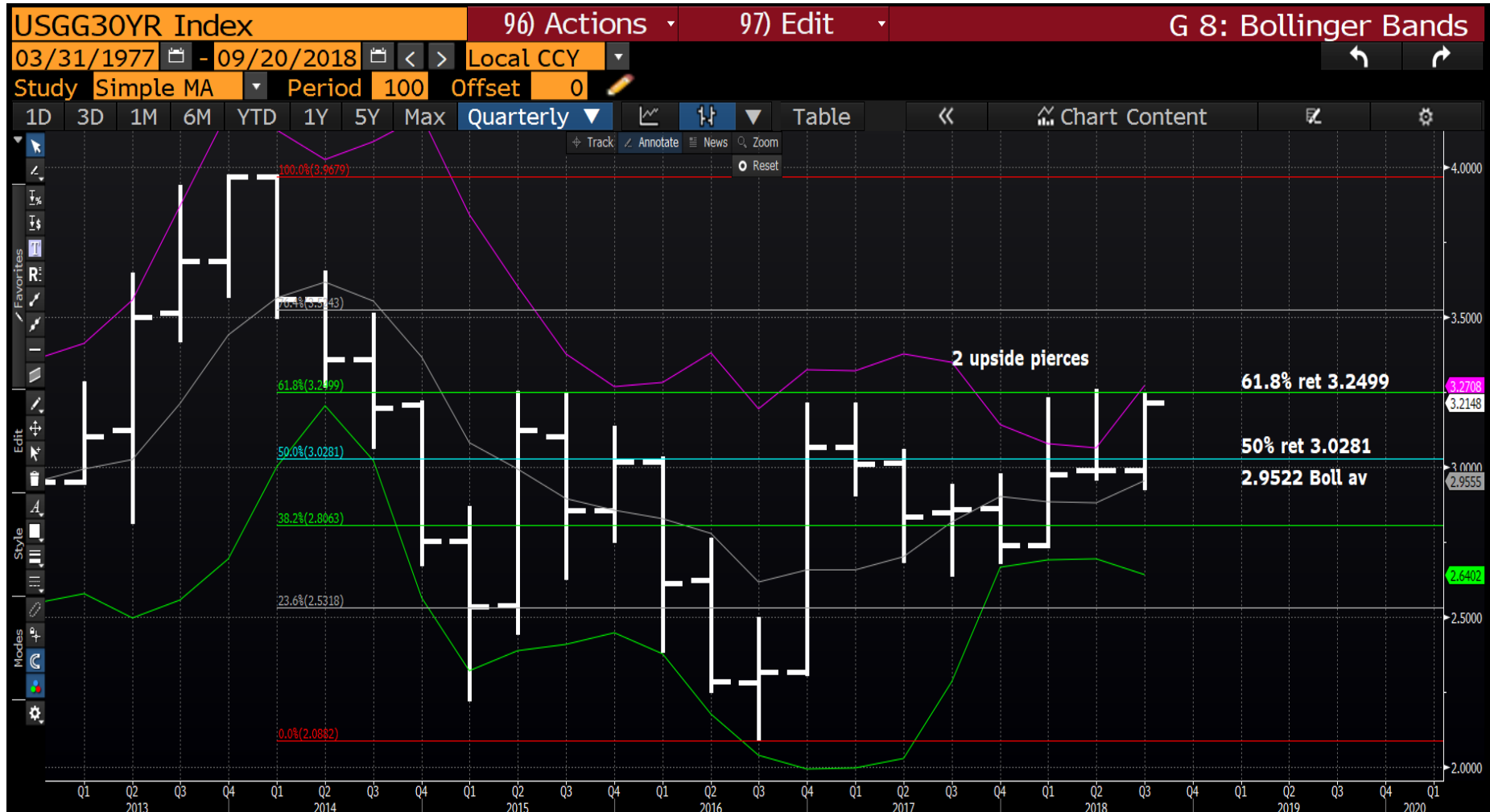
BONDS

- **These have worked well in some instances especially Europe, but of late YIELDS have rallied TOO high for my OVERALL YIELD LOWER CALL.**
- **That said the quarter isn't over and hopefully the charts below will go some way to show HISTORY may govern the outcome, IT WOULD MEAN AND EXPLOSIVE END TO THE QUARTER.**
- **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.



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. We need to start failing and head back toward the lows, a TALL ORDER but anything is possible. The shorter duration charts are calling for a FAILURE in yields UP HERE.



US 30yr yield daily : FINALLY the RSI is worth a mention as we HIT the top of the RANGE, ideally we stall here and head sub the 76.4% ret 3.1814.



US 30yr futures daily : The RSI is back at lows not recently seen so ideally this will formulate a BOND low. Back above the 100% ret 141-04 will help.



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 : This time the RSI matches that of the previous STALL level in MID MAY!
Ideally we close the week sub the 76.4% ret 3.0391.



US 10yr daily futures : The RSI matches MID MAY again and a close above the 100% ret 118-27+ will help the recovery.



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 monthly : We have spent a SEVERAL months now battling and still feel INSIDE the channel beckons 2.7784.



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US 5yr yield daily : We are back up at the previous high and the RSI agrees, the last time we failed.



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US 5yr futures daily : Again the RSI dislocation matches that of MAY.



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 remains high and we need to start breaking lower soon before the RSI influence subsides.



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. The latest yield rally has been a surprise BUT am hoping this is ENOUGH.



Generic German yield daily : Since February the latest yield bounce is on a PAR with PREVIOUS therefore I don't think we have suddenly switched to a YIELD HIGHER BIAS. The 200 day moving average 0.483 is offering suitable historical resistance.

A close sub the 38.2% ret 0.420 will help.



Bund futures daily : I has been a NASTY fall from GRACE but the RSI is back at attractive levels, above the 38.2% ret 158.50 will help a lot.



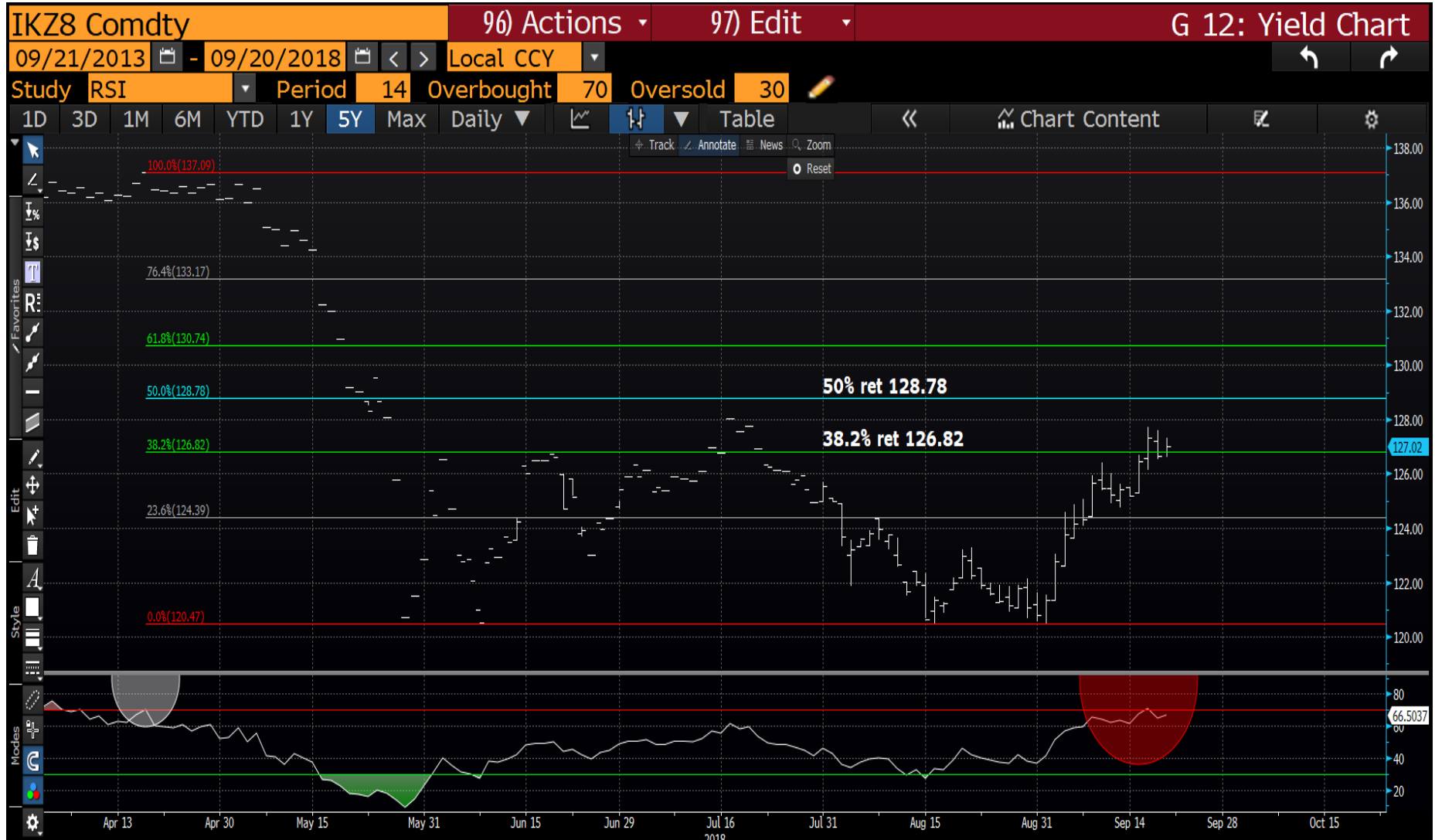
DBR 46 daily : This BOND rally started in February and this hopefully will be the BIGGEST dip we see. We need to hold the 50% ret 133.357 or minimally the 200 day moving average 133.128.



Italian generic 10yr daily : Italy has seen decent real money buying from the lows and although yields have dropped I would be cautious at the 2.718 moving average.



Italian generic 10yr daily : Similar to all other DAILY FUTURES charts we have a HIGH RSI.



US curves a once in a lifetime opportunity?

- The curves are potentially offering up some once in a lifetime steepening locations.
- All generally have low RSI's, MANY at 2006 levels.
- It seems hard at the moment to pinpoint the OPTIMUM curve to go for but contenders already are 2-30, 5-30 and 10-30, that said most could do with quarter end confirmation.
- I think the front end curves need more “rate guidance”, BUT REMEMBER ALL RSI's ARE EXTENDED AND MANY HAVE HIT MULTI YEAR 76.4% RETRACEMENTS!
- Also and IF yields fail, prompted by the daily RSI's then it remains a “BULL STEEPENER”. As mentioned technically every curve can steepen, I know this is an ODD statement but therefore ALL charts are worth scrutiny and discussion.

US 2-5 curve monthly : The RSI is now low and we are teasing around the previous 10.624 level, one to now watch. Back above the 76.4% ret 20.817 will help.



US 2-5 curve daily : This has been a sustained flattener for many and as yet we struggle to gain any positive steepening signals. Above the 138.2% ret 13.518 is helping.



US 2-10 curve monthly : We have breached the multi year 76.4% ret 26.832 but that said the RSI is LOW.



US 2-10 curve daily : This is attempting to BASE and a above the 176.4% ret 25.813 is helping A LOT.



US 2-30 curve monthly : The HIT of the 76.4% ret 34.887 was near perfect and that substantiated by an RSI not seen since 2006. We need to HOLD down here.



US 2-30 curve daily : I did mention this CURVE as the one to OWN for those who have MISSED the back end recommendations. The stop remains cheap at 26.00 and ADD above 51.00. The resistance is obvious, the 200% ret 42.759 initially and the 100 day moving average at 47.284.



US 5-10 curve monthly : This does not have a level and the RSI doesn't warrant a technical trade.



US 5-10 curve daily : The further out the curve the MORE we have proof of a HOLD and STEEPENING bias. That said this one is a struggle as the latest prices action is a RANGEY.



US 5-30 curve monthly : Another MULTI YEAR hold of the 76.4% ret 21.776 with an RSI for compliment. We should steepen from here.



US 5-30 curve daily : The back end curves have more of a “CUSHION” as the BASE is already confirmed. Hopefully we hold here and this MAYBE a good place to enter a steepener as the stop need only be 18.00. The battle is obvious given the MOVING average has been so VOCAL.



US 10-30 curve monthly : We stopped SHY of the retracement but the RSI is the lowest EVER so BANG for your BUCK the REBOUND here could be the ONE!



US 10-30 curve daily : Again we have a good “CUSHION” so still time to enter a steepener.
 Stop any steepeners sub 11.00 and ADD significantly above 21.00. Again the 100 day moving average is proving and DRAW but hopefully becomes support.



Commodities

A lot has been spoken of commodities of late but the BIGGER view is pretty muted.

CRB monthly : This has been quiet of late and allowed for a NEUTRAL RSI. I would not read much into this chart.



CL1 monthly : The monthly RSI is HIGHISH and it looks like a DECISION is looming.



CL1 weekly : We could not be MORE NEUTRAL, we re at the 50% ret 69.15 and RSI to match.



XAU monthly : Again little overall bias here as in a range since 2013.



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XAU weekly : This chart is mildly positive given the RSI and 61.8% ret 1155 hold, we should head higher.



LMCADS03 monthly : This is positive s we have held the 50% ret 5747 but RSI neutral.



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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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