

TECHNICAL VIEW UPDATE for US vs AUD and US vs EU SWAPS : The US vs AUD hasn't moved much but the US vs EU has and taken the daily RSI to an over extended state. Might be worth reducing US-EU exposure.

**** HAPPY to discuss all aspects of these charts. David Sansom will help express these into optimum trade packages, but seems the original USFS10-20 remains the likely contender. I appreciate AUD is a tough trade liquidity wise but some of the US-EU spreads are worth discussion.****

The US continues to be where the OPPORTUNITY is.

I have looked at US verses AUD and we have some decent extensions and previous levels to work from. Interestingly there are many FAMILIAR RSI extensions dating back to 1997 and 2006 AGAIN.

****The 5yr AUD-US looks the most attractive technically given the extreme ties in with the previous high.***

I have also included the US versus EU swaps, they don't have the same extensions but helps the argument for the US being the opportunity. These have taken the DAILY RSI's to lows where we may need to HOLD.

The only FLAW in the argument is the EVER trending market and LAME weekly RSI's, BUT an EXTREME and REVERSAL are close.

USGG2 GACGB2 yr monthly : We have started to FADE the initial mention level 0.8756-previous high, remember this is only just the start!

I appreciate any Australian leg is a difficult trade but these are once in a lifetime extremes.



USSW2 ADSW2 yr monthly : This could be the PERFECT multi year top. The RSI needs little mention and the stop is cheap, certainly from the initial inception at 0.8928 we have gone one way.



10/12/2018

USGG5 GACGB5 yr monthly : This was the favoured idea given we hit the 1984 high and the RSI is at 1997 highs. The initial level was 0.7739 but looking at the chart there remains potential to “get onboard”.



10/12/2018

USSW5 ADSW5 yr monthly : Again we stalled at the previous high in 2000 and faded the inception level 0.6290. There remains time for those who were not convinced initially.



10/12/2018

USGG10 GACGB10 yr monthly : We have formed a minor top from the inception level at 0.4640. We need to start heading lower.



10/12/2018

USSW10 ADSW10 yr monthly : We have tailed off from the inception level 0.3494 and the RSI remains HIGH. Still time.



ADFS0505 USFS0505 monthly : Could this AGAIN be a PERFECT TECHNICAL HOLD?
 We have a RARE RSI dislocation whilst hitting the MULTI YEAR 23.6% ret -0.0522 on the nose. Inception level was -0.0034



- **This next section is US versus EU swaps to highlight the opportunity remains firmly with the US.**
- **The daily RSI's are now too overextended thus may warrant a period of consolidation.**

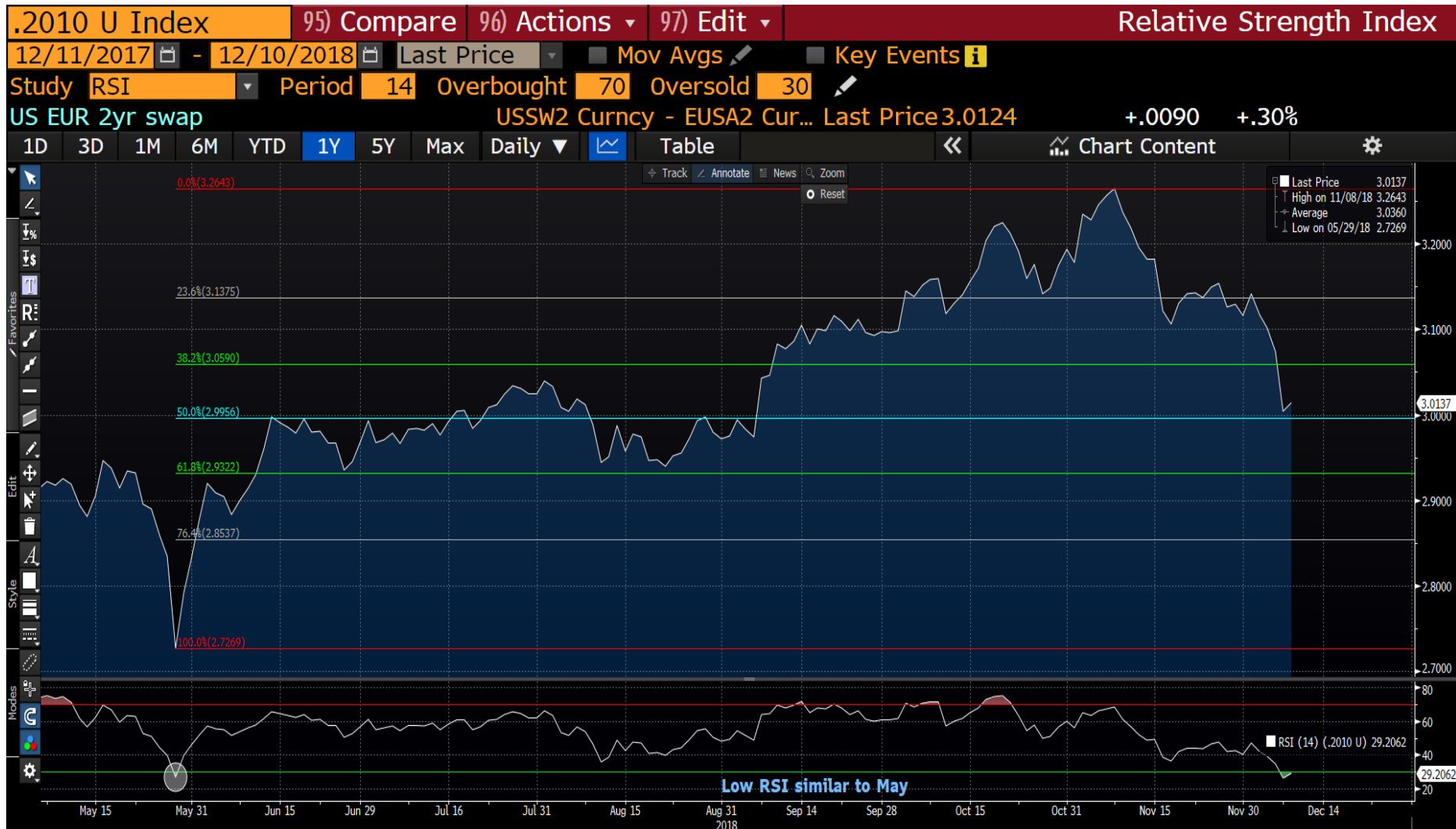
USGG2 GDBR2 yr monthly : We have formed a top against the inception level 3.5320, this does tell me WE ARE AT AN EXTREME. Worth a trade and definitely discussion!



USSW2 EUSA2 yr monthly : The RSI has been misleading but we have rejected the inception level at 3.2501. A decent move overall BUT the next chart daily highlights some need for a PAUSE.



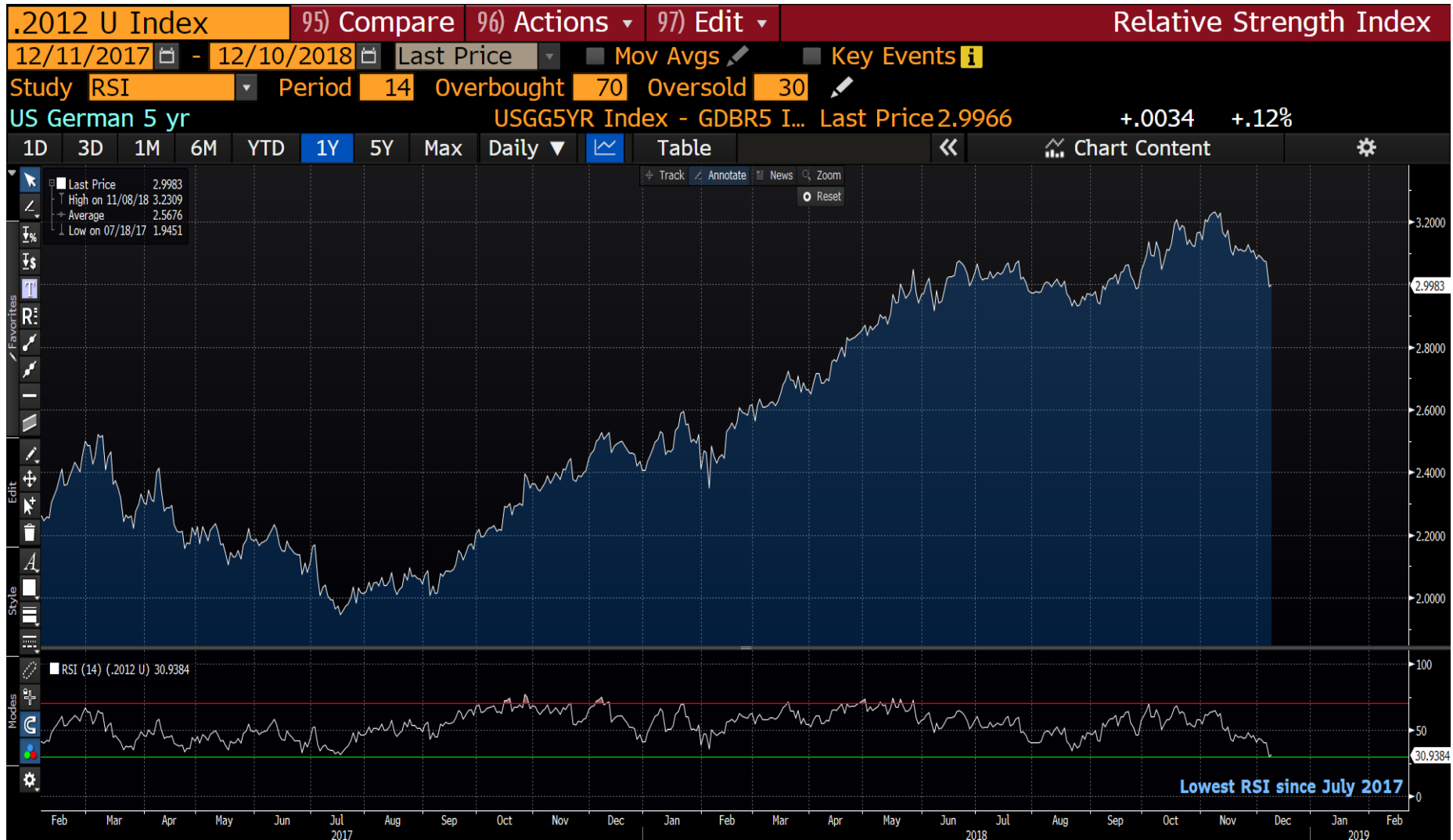
USSW2 EUSA2 yr daily : The RSI is now as dislocated as the May low thus we should see some HOLD here.



USGG5 GDBR5 yr monthly : This could be a TOP given we have failed the inception level 3.2150 and dipped blow the 123.6% ret 3.1109.



USGG5 GDBR5 yr daily : There is a decent TOP now given we failed the inception level 3.2150 and dipped below the 123.6% ret 3.1109. The RSI is now very extended, lowest since July 2017.



USSW5 EUSA5 yr monthly : The RSI has been higher but we have rejected the 2.8185 inception level and 123.6% ret 2.7546. This is a neat rejection and recent high an appropriate level for a stop.



USSW5 EUSA5 yr daily : We have had a very decent move lower but the RSI now matches that of Jan 2015!



USGG10 GDBR10 yr monthly : We haven't strayed far from the initial level 2.7660 but the RSI is the HIGHEST ever!



10/12/2018

USGG10 GDBR10 yr daily : Another very low RSI.



USSW10 EUSA10 monthly : We have regressed from the inception level 2.2852 thus should head lower given the RSI location.



USSW10 EUA10 daily : Again we have a decent daily RSI extension, this time of 2015 levels.



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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