

USFS 10-20 WHAT NEXT : Today we have formulated a downside bollinger pierce and a close above the 38.2% ret 3.0648, will prompt a HOLD-BOUNCE. This also means US BOND YIELDS will have a slight recovery.

Do look to sell the bounce given the longevity forecast on the monthly charts, 3.1951 the ideal RE-ENTRY.

Above all this is a long term trade hence don't be afraid to sell new LOWS. We do need to erode some of the latest daily over extension (page 6).

Overall this chart correlates well with the outright yield charts which ALSO predict a move LOWER.

My BIG worry is that if equities fail then yields plummet and the RE ENTRY is missed. Therefore finding the bounce on this strategy might require a "SCALE IN" BUT significant ADD when 3.0648 failure confirmed. The STOP on any scale in could be just above the 61.8% ret 3.2744 on page 6.

This will be a big trade as it 100% endorses the YIELD LOWER call.

USFS 1020 monthly : The moving average rejection is now confirmed and the RSI dislocation continues to be VERY OBVIOUS!



10/12/2018

USFS 1020-US 10yr yield overlay monthly : A pretty neat representation of the current correlation between US 10yr yield and the USFS 10-20. Both seem to have EVERY reason to head lower over the longerterm.



10/12/2018

US 10yr yield quarterly : We are currently sitting on the 2.8253 moving average but the formation looks very similar to the historical examples before. The RSI remains extremely dislocated.



10/12/2018

USFS 1020 daily : We sub the 38.2% ret 3.0648-moving average BUT the RSI remains low and should HOLD, especially on a close above the retracement.



10/12/2018

USFS 1020 daily : As long as todays DOWNSIDE PIERCE remains and we close above the 38.2%ret 3.0648 then we should hold-bounce.



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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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