

PRE NON FARM BONDS AND EQUITIES

This could be a VERY CRITICAL Non-Farm given the precarious location many markets are at.

Most bond yields have posted NEW LOWS on last month and equities have failed MINIMAL retracements, the subsequent price action could be telling.

The charts should highlight some “WATCH FOR” critical levels.

REMAIN on high alert.

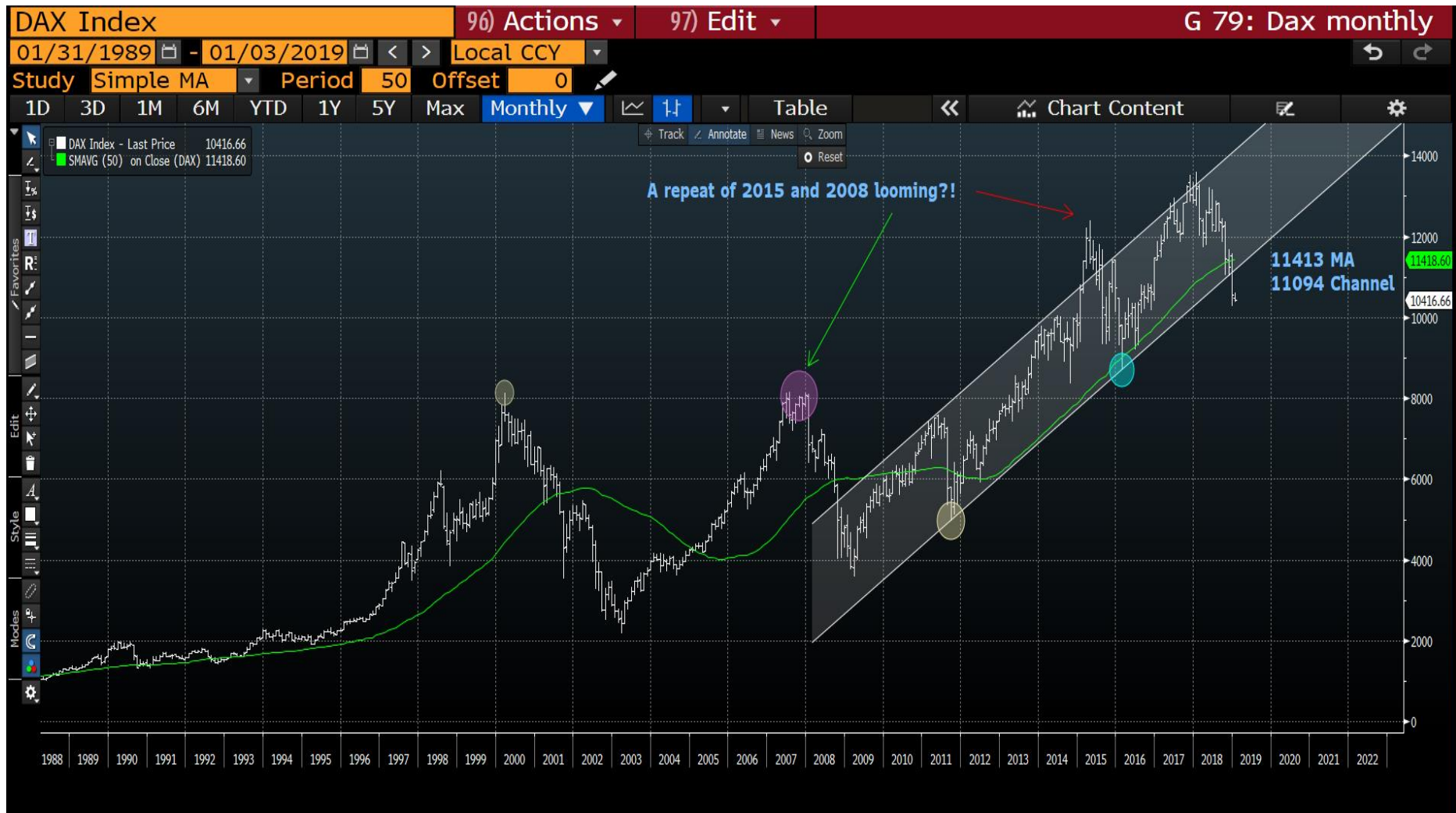
EQUITIES

Equities : Blink and you'll miss it. Stocks remain on high alert given ALL remain close to last months LOWS.

Equities REMAIN very damaged goods! Europe is in a terminally bad way whilst the US is close to confirming the 10 year "RALLY" is over.

Overall I still favour a MAJOR DROP and the daily scenario could help that view this week.

DAX monthly : We have REMAINED BELOW the MULTIYEAR trend channel 11094 thus doesn't bode well. This could get VERY nasty!



Dax daily : This weeks bounce has been minimal, already we have signs of a market ROLLING OVER. Sub the 38.2% ret 10573.56 doesn't bode well.



Eurostox monthly : Another conclusive failure only redeemed by a close above the 50% ret 3069.16. A new low and the drop will be EXPLOSIVE.



03/01/2019

Eurostox daily : We remain close to the recent lows and any breach of the 76.4% ret 2921.48 will be FATAL.



03/01/2019

FTSE monthly : This is one of the FOCUS charts, the perfect failure in October at the 123.6% ret 7527 was exemplary. If we remain sub the 100% ret 6751 and subsequently make a new low, then it will be free fall time.



FTSE daily : We are holding above the 50% ret 6703.79, but only JUST so lets see the close tonight.



03/01/2019

S&P (future) daily : The RSI is neutral and of little use. This remains a WEAK chart overall.



Russell monthly : Another dangerous location and WHAT a range last month! The chart remains very negative, sub the 61.8% ret 1248 will be FATAL.



Russell daily : We continue to stall against the 50% ret 1343.664 thus persist with the bearish call.



04/01/2019

DOW quarterly : A nice technical endorsement given this months high is the previous low 23344.52. Any close sub this maintains the bearish outlook.



DOW daily : We are suffering failure given we are back below the 100% ret 23344.52.



CCMP monthly : Another TIDY TECHNICAL chart, this time we have failed the Feb 2018 low 6630. Ideally we get a new low post NF.



CCMP daily : We continue to fail and this time at the 38.2% ret 6635.672. A close 50% ret 7173.055 will be a MAJOR signal of further failure.



Hang Seng monthly : We have HELD the 25204.12 moving average but ONLY JUST.



Nikkei monthly : The 50% ret 20489.16 breach could prove fatal.



03/01/2019

BONDS

- **Bonds seem to be making up for lost ground, MANY YIELD charts have already printed NEW LOWS ON LAST MONTH! This obviously doesn't bode well and should equities fail too it, will get MESSY.**
- **German yields are finding yield support at the reliable trend channel 0.141.**

Italy continues to CHOP around, doing it about the 200 day moving average 2.784.

US 2yr yield monthly : This is a potential concern. The level of optimism for HIGHER RATES is clearly visible in the extended RSI, the highest EVER. This tells me we have a large one way BET and that could unravel sub the 38.2% ret 2.7357. We are testing peoples belief.



US 30yr yield monthly : We are getting close to last years RANGE lows 2.920, sub this will UNLEASH significant STOPS. The 3.1333 moving average should provide sizeable resistance. The RSI has a lot of JUICE.



US 30yr yield daily : We have broken lower, now sub the 200 day moving average 3.1336. This is a RARE situation and a DANGER, sub the 38.2% ret 2.9409 should trigger bigger stops.



04/01/2019

US 10yr yield quarterly : Another historical formation pointing toward lower yields. The RSI has barely turned and we have breached the 2.7816 moving average. We could DROP SHARLPY!



04/01/2019

USFS10-20 monthly : This has been a great boost to the argument for lower yields going forward (assisted by our swaps expert David Sansom), as the chart shows we have a similar historical pattern of failure. The RSI continues to have room, so RUN the original trade idea.

We have breached last months low!



USFS 10-20 US 10yr yield monthly overlay : Yet another major endorsement for lower yields, the swaps hit is extremely rare and current correlation looks good.



US 10yr yield daily : The RSI is MIXED at best, any breach of the 61.8% ret 2.4900 will be catastrophic.



US 5yr quarterly : A big acceleration into year end with the moving average 2.0942 ever closer. The RSI REMAINS at 1982 levels. History is poised to repeat itself.



Generic German 10yr quarterly : Germany is struggling to attain further gains given the channel support 0.141, no more QE and yield levels.



04/01/2019

Generic German 10yr daily : The RSI has been here before but this time we are on a sizeable 61.8% ret 0.181.



DBR 46 daily : One of the most resilient bonds going and lets see if we can close above the 100% ret 141.935 again.



04/01/2019

Italian generic 10yr daily : The RSI is now neutral as we TEASE around the 200 day moving average 2.784.



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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