

Bund and TY downside just in case.

I have been deliberating whether to suggest protection given the over all view for US yields is VERY negative, however we seem to be struggling at these yields.

The longer-term charts continue to forecast lower yields going forward BUT it might be worth putting on some protection if yields should bounce.

There is further reluctance to put on protection given the POOR bounce in equities, just depends on personal preference for a pop in yields.

The pop may only be this week hence Feb options seem the best opportunity.

Trade ideas

Feb Bund 162.50-161.50 put spread 14-15 currently Future 163.69

Feb 10yr 121.50-120.50 put spread 12-14 currently Future 121-30

German 10yr quarterly : We seem to be struggling to breach the longstanding trend channel 0.141.



08/01/2019

Bund daily : We seem to be forming a short term top hence the protection idea.
Sub the 23.6% ret 163.43 will confirm that.



08/01/2019

US 10yr yield daily : We have based at the channel support and low RSI. Ideally any bounce should stall at the moving average.



08/01/2019

TY daily : We formed a sizeable double top last week and sub the 23.65 ret 121-26+ should trigger stops.



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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