

**USFS 10-20 WHAT NEXT :** Last months low RSI “HOLD” has been eroded and we have posted a **NEW YEAR** low. The implication therefore is we continue to head lower, presumably yields too. The danger is a **REPLICATION** of Decembers **RANGE**. That acceleration could be **MESSY!**

**\*\* If not in this trade already then this could be a good location, a stop above last months close-this months opening, say 2.810 avoiding the 50 day MA and 23.6% ret 2.8013. \*\***

**Above all this is a long term trade hence don't be afraid to sell new LOWS.**

**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 : Last month was a VERY EXTENDED range and this years new low is a CONCERN! The early low might be the prequel to a similar rapid decline replicating last months range, that could mean a move to 2.500. A scary prospect!



03/01/2019

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 longer-term. The speed of the drop might be the alarming factor.

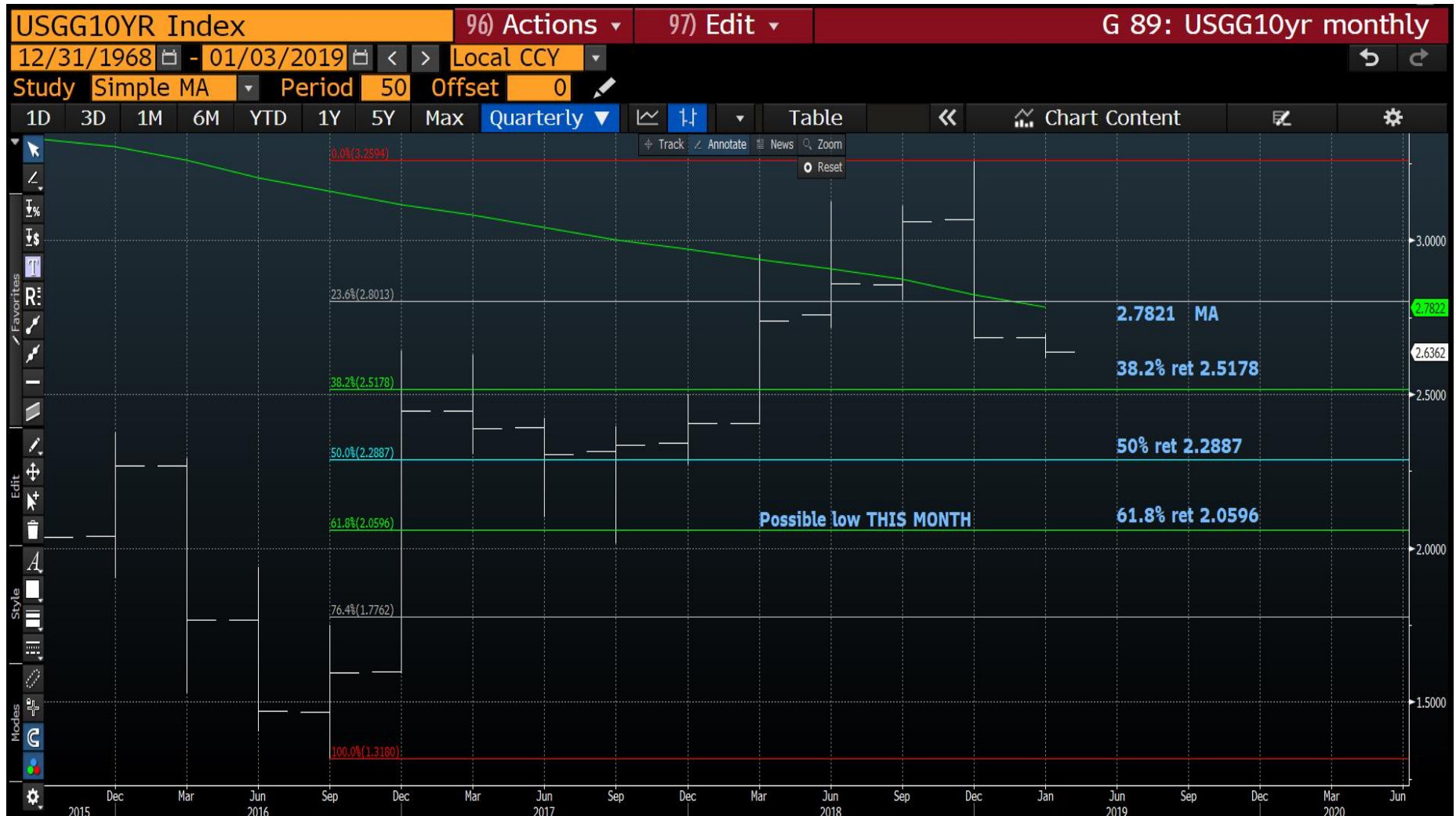


US 10yr yield quarterly : Hopefully this highlights the correlation with the USFS10-20 as this chart too has a NEW YEAR low. We are also sub the 2.7821 moving average with a nice 1984 RSI extension. Yields could see a savage drop.



03/01/2019

US 10yr yield quarterly : We are not in a good place. We have opened where we closed last month and created a NEW LOW. IF we replicate last months range then 2.0596 is a target!



USFS 1020 daily : The RSI was useful for a period last month but offers little influence now.  
A break of the 61.8% ret 2.8542 will be a major cause for concern.



03/01/2019

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.

Astor Ridge takes no proprietary trading risk, has no market making facilities, and has no position in any security we discuss in this e-mail. The views in this e-mail are those of the author(s) and are subject to change, and Astor Ridge has no obligation to update its opinions or the information in this publication. If this e-mail contains recommendations, those recommendations reflect solely and exclusively those of the author, and such opinions were prepared independently of any other interests, including those of Astor Ridge and/or its affiliates.

This publication does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the clients who receive it. The securities discussed herein may not be suitable for all investors. Astor Ridge recommends that investors independently evaluate each issuer, security or instrument discussed herein, and consult any independent advisors they believe necessary.

The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

You should not use or disclose to any other person the contents of this research, nor take copies. This is not a representation or warranty and is not intended nor should it be taken to create any legal relations, contractual or otherwise. This research and any files transmitted with it are confidential, may be legally privileged, and are for the sole use of the intended recipient. Copyright in this research and any accompanying document created by Astor Ridge LLP is owned by Astor Ridge LLP.

Astor Ridge LLP is regulated by the Financial Conduct Authority (FCA): Registration Number 579287

Astor Ridge LLP is Registered in England and Wales with Companies House: Registration Number OC372185

Astor Ridge NA LLP is a member of FINRA/SIPC: CRD Number 282626

Astor Ridge NA LLP is Registered in England and Wales with Companies House: Registration Number OC401796