

USFS 10-20 WHAT NEXT : TIME TO RELOAD or ADD as we HEAD LOWER AGAIN. Similar to other markets we have witnessed ONLY a slight recovery, only to last months close. If you the original trade (inception 3.3299) certainly add here, if not enter the trade with a stop (ON ALL) above this month high 2.9644.

****Speak to David Sansom re any trade discussion on this idea, NEW OR ADDING. ****

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

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

USFS 1020 monthly : The long-term view hasn't changed given the moving average failure, RSI extension and inability to rally.



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USFS 1020 daily : The moving average is a distant memory and now we are FAILING a very POOR bounce at the 50% ret 2.9595. This is one of the weakens bounces and any new low will open the flood gates. Cheap stop on all trades just above 2.9600 or 3.000.



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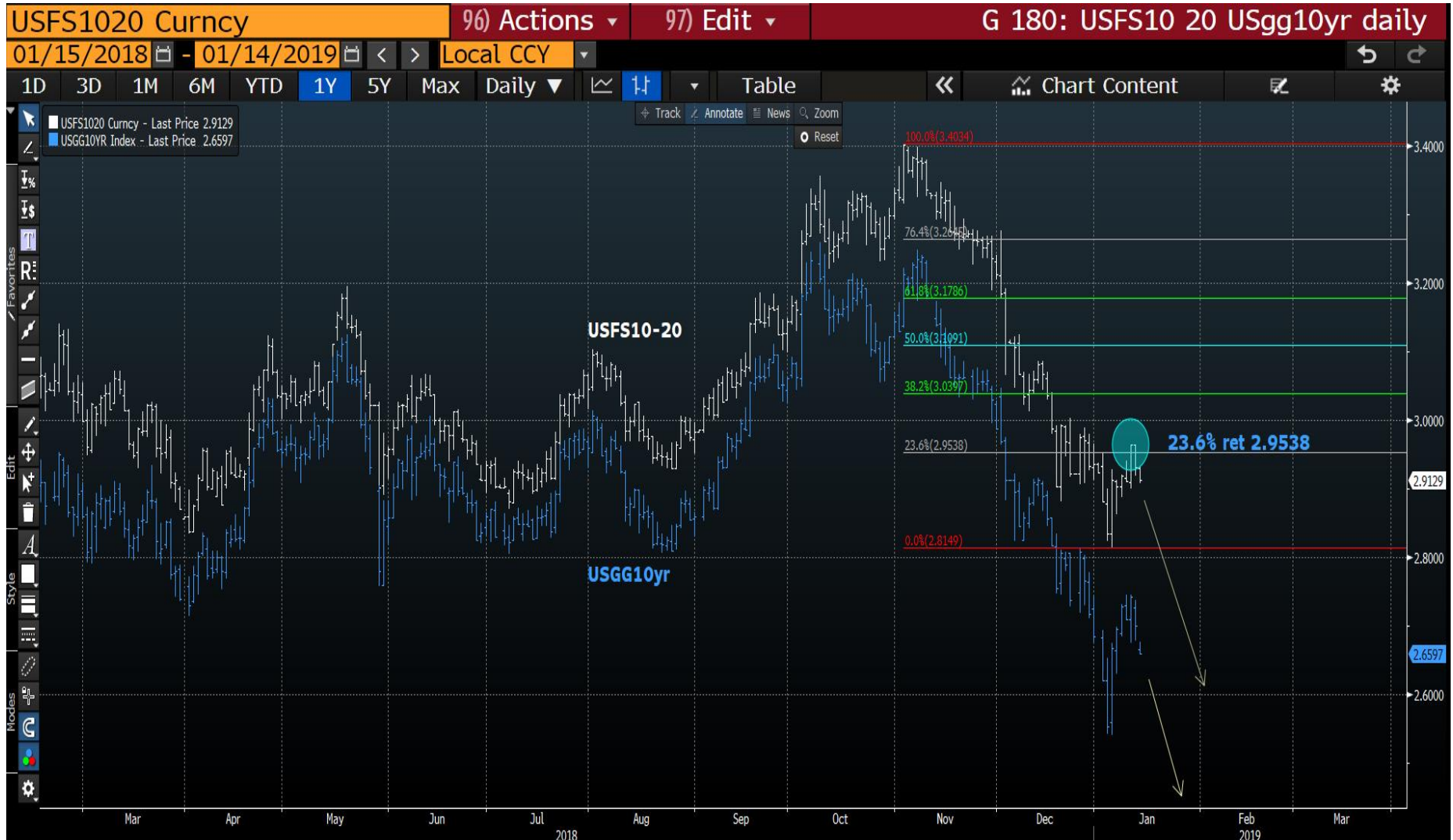
USFS 1020-US 10yr yield overlay monthly : A pretty neat representation of the current correlation between US 10yr yield and the USFS 10-20. Both seem to have EVERY reason to head lower over the longer-term. The speed of the drop might be the alarming factor.



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 2.7827 moving average with a nice 1984 RSI extension. Yields could see a savage drop.



USFS 10-20 and 10yr yield daily : A very decent correlation and more worryingly a miniscule bounce to the 23.6% ret 2.9538. If we fail then the momentum lower will be heightened.



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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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