

UPDATE TECHNICAL SWAPS IDEAS : The two new ideas are starting to work whilst the ongoing USFS10-20 stalling a significant retracement 3.0648.

DAVID SANSOM AND I have been working on utilising TECHNICALS for SWAP ideas and here are 3 we have found. The USFS 10-20 we advocated a while ago at 3.3299.

TRADE 1 USFS 10-20 WHAT NEXT : ****STILL TIME TO RELOAD or ADD as we HEAD LOWER AGAIN.****
If “IN” the original trade (inception 3.3299) certainly add here OR initiate a new trade with stop above the 38.2% ret 3.0648 high.

This chart corelates well with the outright yield charts so need to see a yield drop their too which the long-term charts still forecast.

Trade 2 EU 2-10

A simple chart highlighting a hit of a trend line from 2008 and RSI last seem in September 2014 (Page 7). This is starting to bounce well off the multi year trend line so targeting the 38.2% ret 100.5608.

Trade 3 EU HICP ZC swaps

Pay fixed on 2y2y HICP ZC swaps OR Steepener EU HICP 1y2y VS 3y2y ZC Swaps. This has based well now and steadily climbing higher from the STEADFAST moving average.

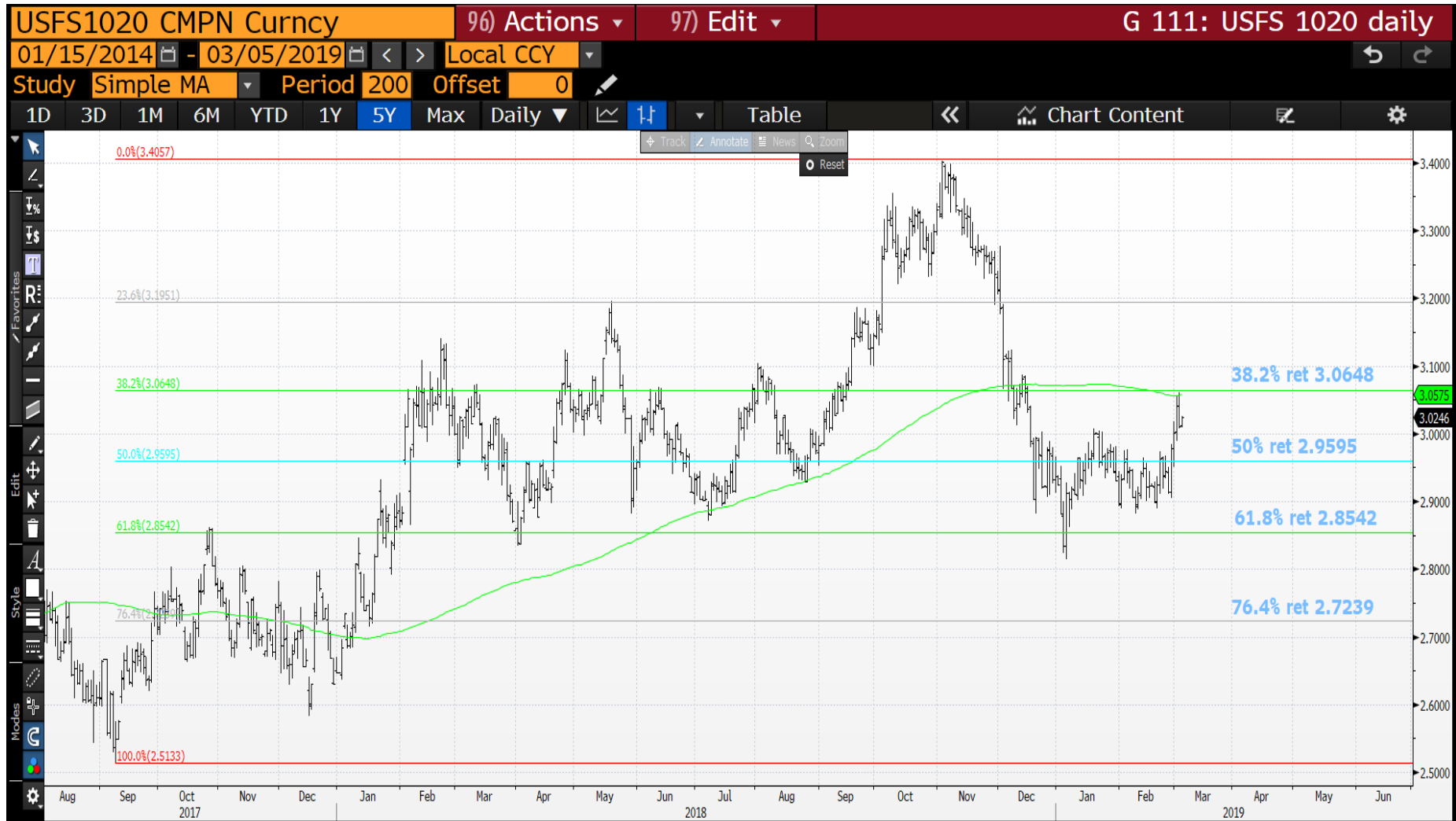
Again a simple chart and significant historical history well worth a look as it is complimented by NUMEROUS technical factors (Page9).

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

USFS 1020 monthly : The long-term view hasn't changed given the moving average failure, RSI extension and inability to rally. We have bounced further than anticipated but sub 3.0648 the trade still works.



USFS 1020 daily : The trade is being tested here, we need to remain sub the 38.2% ret 3.0648 to continue with it. Also this is a GOOD location for those not already positioned.



04/03/2019

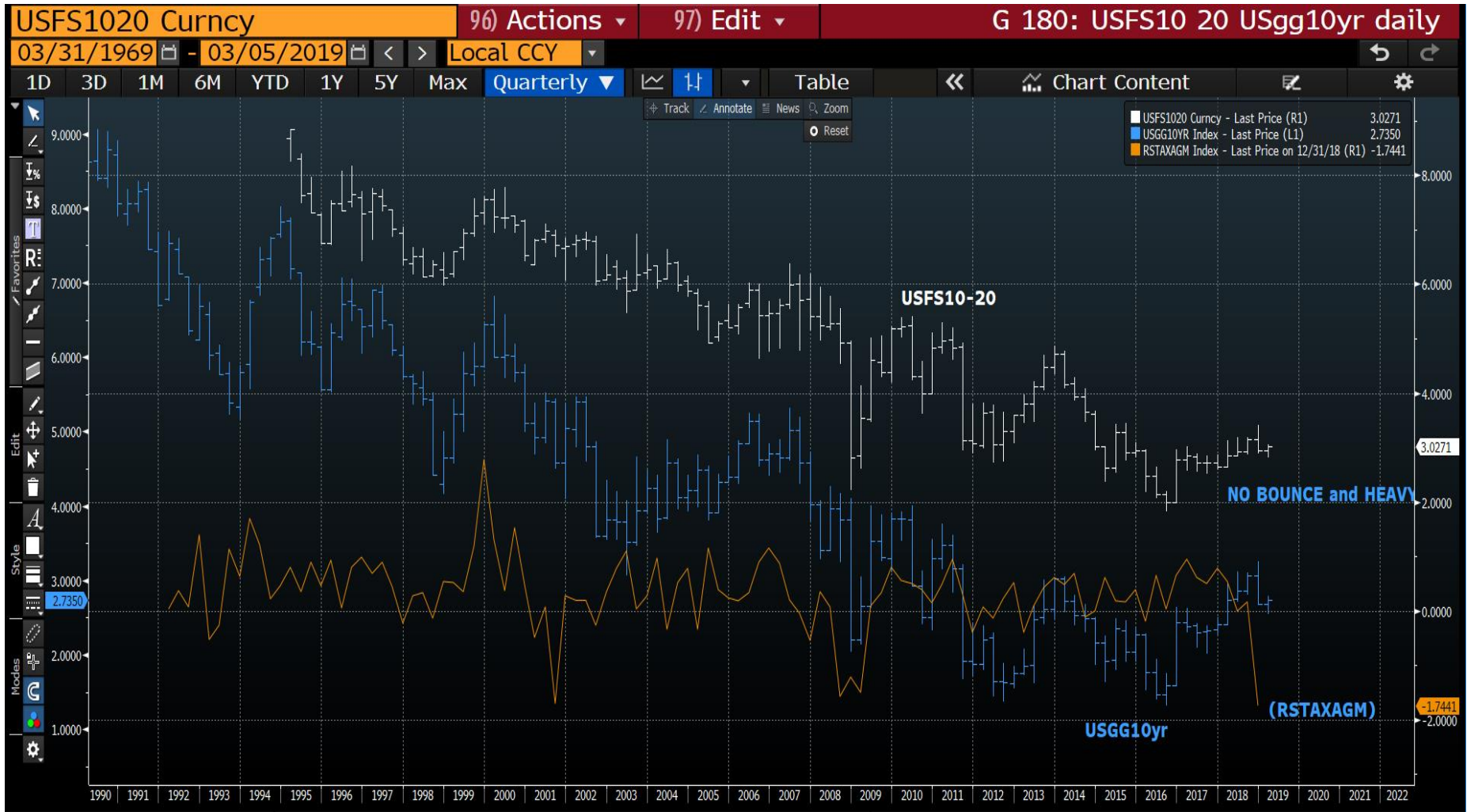
USFS 1020-US 10yr yield overlay monthly : A pretty neat representation of the current correlation between US 10yr yield and the USFS 10-20. Both seem to have EVERY reason to head lower over the longer-term. The speed of the drop might be the alarming factor.



US 10yr yield quarterly : Hopefully this highlights the correlation with the USFS10-20 as this chart too has a NEW YEAR low. We NEED to remain sub the 2.7845 moving average which should happen given the 1984 RSI.



USFS 10-20 , Retail sales (RSTAXAGM) and 10yr yield daily : A very decent correlation and more worryingly a miniscule bounce. Both markets generated upside pierces and the RSTAXAGM speaks for itself. We have significant room to go lower!



EU 2-10 Swaps : A great opportunity TECHNICALLY.

We have held the trend line nicely and the RSI remains dislocated, plenty of scope to test the 38.2% ret 100.5608.



04/03/2019

EU 2-10 daily : This chart compliments the previous with another lowish RSI, but what a HOLD.



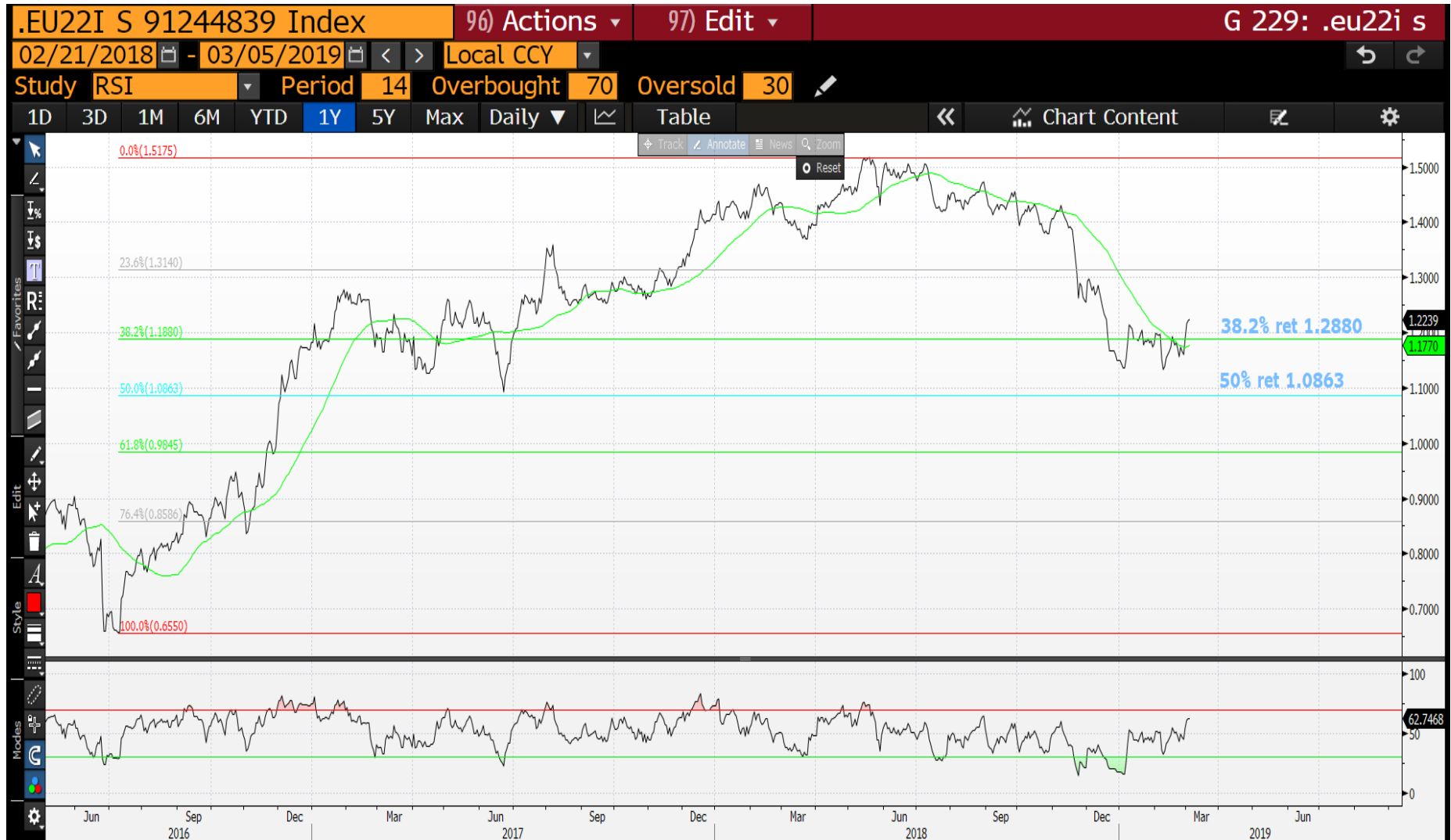
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EUR HICP weekly : As the chart highlights we have a VERY RARE RSI dislocation, only seen twice since 2004. Another complimentary HOLD, if history does repeat itself we should see the 38.2% ret 1.4650 soon.



04/03/2019

EUR HICP daily : The good news is we have breached the moving average and based, we should continue to head higher.



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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